NORTH CENTRAL REGIONAL TRANSIT DISTRICT
BOARD MEETING AGENDA

November 8, 2013
9:00 AM - 1:00 PM
Jim West Regional Transit Center
Board Room

CALL TO ORDER:

1. PLEDGE OF ALLEGIANCE
2. MOMENT OF SILENCE
3. ROLL CALL
4. INTRODUCTIONS
5. APPROVAL OF AGENDA
6. APPROVAL OF MINUTES – October 4, 2013
7. PUBLIC COMMENTS

PRESENTATION ITEMS:

ACTION ITEMS FOR APPROVAL/ DISCUSSION:

A. **Discussion and Adoption of Resolution 2013-26 Providing Authorization to Invest District Monies in the Local Short-Term Investment Fund in the State of New Mexico Local Government Investment Pool (LGIP)**
Sponsor: Anthony J. Mortillaro, Executive Director and Glenda Aragon, Finance Director. *Attachment*

B. **Discussion and Adoption of Resolution 2013-27 Authorizing Direct Deposit Payment for North Central Regional Transit District (District) Vendors**
Sponsor: Anthony J. Mortillaro, Executive Director and Glenda Aragon, Finance Director. *Attachment*

C. **Discussion and Adoption of Resolution 2013-28 Authorizing a Budget Amendment for Fiscal Year (FY) 2014 so as to incorporate the Transportation Alternatives Program (TAP) Federal Funding Award**
Sponsor: Anthony J. Mortillaro, Executive Director, Glenda Aragon, Finance Director and Stacey McGuire, Projects and Grants Specialist. *Attachment.*

D. **Discussion and Adoption of Resolution 2013-29 Authorizing the Revision of the District's Reserve Policy**
Sponsor: Anthony J. Mortillaro, Executive Director. *Attachment.*

E. **Discussion and Review of Service Request Update for Sipapu, Ski Santa Fe, and Town of Taos**
Sponsor: Anthony J. Mortillaro, Executive Director and Stacey McGuire, Projects and Grants Specialist. *Attachment*.

DISCUSSION ITEMS:

F. **Financial Report for October 2013:**
Sponsor: Anthony J. Mortillaro, NCRTD Executive Director and Glenda Aragon, Finance Manager. *Attachment*

G. **Finance Subcommittee Report:**
Sponsor: Chair Tim Vigil and Anthony J. Mortillaro, NCRTD Executive Director. *Agenda & Minutes for August 23rd and September 27, 2013.*

H. **Tribal Subcommittee Report:**
Sponsor: Chair Mary Lou Valerio and Anthony J. Mortillaro, NCRTD Executive Director. *No report.*

I. **Executive Report for October 2013 and Comments from the Executive Director:**

1) **Executive Report**
2) **Performance Measures for September 2013**
3) **Ridership Report for September 2013**

MATTERS FROM THE BOARD

MISCELLANEOUS

ADJOURN

NEXT BOARD MEETING: December 6, 2013 at 9:00 a.m.

If you are an individual with a disability who is in need of a reader, amplifier, qualified Sign Language interpreter or any other form of auxiliary aid or service to attend or participate in the hearing of the meeting, please contact the NCRTD Executive Assistant at 505-629-4702 at least one week prior to the meeting, or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats.

North Central Regional Transit District
Board Meeting
Friday, October 4, 2013
9:00 a.m. - 1:00 p.m.

CALL TO ORDER:

A regular meeting of the North Central Regional Transit District Board was called to order on the above date by Commissioner Dan Barrone, Chair, at 9:10 a.m. at the Jim West Transit Center, 1327 Riverside Drive, Española, New Mexico.

1. **Pledge of Allegiance**
2. **Moment of Silence**
3. **Roll Call**

Ms. Lucero called the roll and it indicated the presence of a quorum as follows:

Members Present:	**Elected Members**	**Alternate Designees**
Los Alamos County		*Mr. Philo Shelton III*
Rio Arriba County	Absent	
Taos County	*Commissioner Daniel Barrone*	
Santa Fé County		*Commissioner Miguel Chávez*
Nambé Pueblo	Absent	
Pojoaque Pueblo	Absent	
Ohkay Owingeh	*Ms. Christy Mermejo*	
San Ildefonso Pueblo	*Ms. Lillian Garcia*	
Santa Clara Pueblo		*Ms. Mary Lou Valério*

Tesuque Pueblo	Absent	
City of Santa Fé	*Councilor Patti Bushee*	
City of Española	*Councilor D. Tim Salazar*	
Town of Edgewood	*Councilor Chuck Ring*	
Rio Metro (ex officio)	Absent	

Staff Members Present
Mr. Anthony J. Mortillaro, Executive Director
Ms. Glenda Aragon, Financial Manager
Mr. Pat López, Financial Analyst
Mr. Jim Nagle, Public Information Officer
Ms. Dalene Lucero, Executive Assistant
Mr. Mike Kelly, Transit Operations Manager
Ms. Stacey McGuire, Projects and Grants Specialist

Others Present
Mr. Mark Basham, Legal Counsel
Mr. Carl Boaz, Stenographer
Mr. Antonio Sierra, Rio Grande Sun
Mr. Daniel Manzanares, Ghost Ranch
Ms. Debbie Manzanares, Ghost Ranch
Mr. Gary Forrest, Sipapu Ski and Summer Resort
Mr. Ken Smithson, City of Santa Fé

4. INTRODUCTIONS

All present introduced themselves to the Board.

5. APPROVAL OF AGENDA

Councilor Ring moved to approve the agenda as presented. Councilor Bushee seconded the motion and it passed by unanimous voice vote.

Chair Barrone noted that none of the pueblos could attend on November 1 so he asked that the meeting date be November 8th.

The motion passed by roll call vote with Los Alamos County, Taos County, Ohkay Owingeh Pueblo, San Ildefonso Pueblo, Santa Clara Pueblo, City of Santa Fé, City of Española, and Town of Edgewood voting in favor and none voting

against. Santa Fé County was not present for the vote.

6. APPROVAL OF MINUTES – September 6, 2013

Councilor Ring moved to approve the minutes of September 6, 2013 as presented. Ms. Valério seconded the motion and it passed by roll call vote with Los Alamos County, Taos County, Ohkay Owingeh Pueblo, San Ildefonso Pueblo, Santa Clara Pueblo, City of Española, and Town of Edgewood voting in favor and none voting against and City of Santa Fé abstaining and Santa Fé County was not present for the vote.

7. PUBLIC COMMENTS

There were no public comments.

8. PRESENTATIONS

There were no presentations.

9. ACTION ITEMS FOR APPROVAL/DISCUSSION

A. Discussion and Consideration of Resolution 2013-24 adopting a Money Purchase Retirement Plan, Executing the Declaration of Trust of Vantage Trust and approving the Plan Document and Trust, Administrative Services Agreement and affiliated documents

Mr. Mortillaro explained that this document allowed the District to set up the supplemental pension plan. The Board approved employee choices on retirement on August 2, 2013 (Resolution 2013-17) so that employees could choose this plan if they chose not to participate in Social Security. He described it as a money purchase plan rather than defined benefit plan through International City Managers' Association Retirement Corporation. The plan design provided for a 6.2% contribution by the District and a mandatory 4.2% contribution by the employee (the amount the Board selected). It was limited only to those hired before August 2, 2013 and who chose not to participate in Social Security and who also were enrolled in PERA. All others would be required to be enrolled in Social Security and in PERA. There would be no extra cost to the District with this plan except for some maintenance costs that were about $1,000 per year.

He offered to go through the design of the plan as described on pp 30-36. He highlighted some of the provisions. Those employees who were eligible would make their election on November 5 (Election Day).

Commissioner Chávez arrived at this time.

Mr. Mortillaro listed highlights. Among them was Section 14 on spousal protection.

Councilor Bushee asked that it define “spouse” somewhere in the plan.

Mr. Mortillaro said it followed the legal provisions of the IRS but agreed to investigate that further.

Councilor Bushee asked if they would keep the age 59.5 age relative to what PERA was doing.

Mr. Mortillaro explained it was not a defined contribution provision like PERA. Employees didn’t select how their funds would be invested, this was the default.

Mr. Mortillaro said on their final paycheck, employees could contribute anywhere from 0 to 4.2% but had to make the choice at time of enrollment and it was irrevocable.

Commissioner Chávez moved to adopt Resolution 2013-24, adopting Money Purchase Retirement Plan 10-107802. Councilor Bushee seconded the motion and it passed by unanimous roll call vote with Los Alamos County, Santa Fé County, Taos County, Ohkay Owingeh Pueblo, San Ildefonso Pueblo, Santa Clara Pueblo, City of Santa Fé, City of Española, and Town of Edgewood voting in favor and none voting against.

B. Discussion and Review of FY 2013 End of Year Budget

Mr. Mortillaro recalled at mid-year the Board discussed the budget status and made expenditure modifications that anticipated what was happening with the revenue decline. This report showed how it went at year end.

Mr. López provided a handout showing other details on GRT. He referred to page 109 that provided budget/actual comparisons. The FY 2013 budget was $9.7 million. At midyear they were looking at a $262,047 deficit for GRT. At year end, the District finished with a $142,530 deficit.

His handout showed the end of year total for each county. The total budgeted for GRT was $7,138,000. Los Alamos had a $472,532 shortfall, Rio Arriba County had a $12,801 deficit, Santa Fé County ended with a $301,522 surplus and Taos with a $41,281 surplus.

Commissioner Chávez thought the half of Santa Fé County’s GRT going to the Rail runner should be added to the flow chart because it was significant and would alert the

entities to continue being conservative.

Mr. Mortillaro said roughly 60% of this revenue went out to other entities. $1.4 million went to Los Alamos for regional service they provided; almost $1 million went to Santa Fé Trails. So the District only retained about 40% for direct RTD operations.

Commissioner Chávez asked Mr. López if he could reflect those in the flow chart.

Ms. Aragon said that was shown on page 109.

Mr. López said they also had a little surplus from auctioned vehicles and received some from bank account interest. There were also some insurance proceeds of $2,191 and miscellaneous income surplus of $121.

At midyear they were really concerned because of the deficit and dwindling revenue in Los Alamos County. LANL actually got a credit on GRT from State Treasury Department so the District put in austerity measures at mid-year. Salaries stayed the same through the year and they had a small vacancy rate through the year. Administrative costs were $10,000 less than projected. $150,000 was earmarked for the service plan and would actually be spent in 2014 so they picked up some money in contractual services. It was an 80/20 split for our service plan.

The overall budget surplus for administration, including salaries, benefits and operating costs was $291,000. Operations, including drivers, maintenance, supervisors, had a surplus of $141,666 at midyear projected. They picked up some money at year end and had $243,000 surplus at year end. Some was from vacancy savings in the drivers' salary and benefits and reduced overtime. Overall for operations the surplus at year end was $262,000.

For regional allocations, they were looking at an overall deficit at midyear of $123,000 and ended up the year with a deficit of $119,000.

Commissioner Chávez said he would make this report as a standard update to the County Commission but the details were buried in a footnote. That detail was very significant. He asked if Mr. López could provide that to Mr. Erick Aune so it could be included in his next presentation.

Mr. López agreed. He said $291,215 was the projected capital outlay surplus and it ended up at $264,000.

At midyear they projected a $676,000 surplus and at year end they realized a $704,915 surplus.

For Federal match with 5311 was 80/20 for administration and 50/50 for operations. They had until September 30 to spend the federal funds and surplus of local share

match was put into reserves. With the 5311 capital outlay, the budget was specifically for the software for vehicle scheduling at $430,000 and part of it was budgeted for 2014. They picked up extra federal funds for the software. With the Veterans' Initiative they picked up about 60% of that cost and only had to come up with $90,000 match. Overall they picked up about $233,000.

At year end the total net savings resulted in $852,556 surplus overall and it went to cash reserves that now totaled in excess of $3.2 million.

Ms. Mermejo asked how the District could expend all the federal 5311 funds without spending the local share requirements simultaneously.

Mr. López explained that the federal year crossed over the state fiscal year. So the match was spent but following the state fiscal year meant the District overstated it a little but spent everything in its entirety.

Ms. Aragon explained it further.

Ms. Mermejo agreed it made sense that the primary match was GRT but asked what would happen if that match revenue didn't come up as budgeted.

Mr. López explained it further and Ms. Aragon added to the explanation.

No action was needed for this item.

Chair Barrone thanked staff for this report.

C. Discussion and Consideration of Resolution 2013-25 Authorizing Application Submittal for a Transportation Alternatives Program (TAP) ADA Transition Plan

Mr. Mortillaro said that because of the TAP application deadline they had to submit this application prior to Board review to the Northern Pueblos Regional Planning Organization (RPO). He commended Ms. McGuire for her work, scouting for all federal money available. She did a great job with this application.

Ms. McGuire said Resolution 2013-25 was on pp.112. For TAP funding it passed through the RPO with federal funds allocated through the MPO and RPO. This was the ADA transition plan to design and construct ADA compliant amenities at shelters and stops. There were 32 shelters and stops that didn't comply with ADA requirements. The plan would be implemented in FY 2014 and 2015 in two phases.

This year, for the first time, DOT allowed the RPO's to decide on funding of projects. Applications were due to the RPO before the next regular Board meeting.

She explained it was a cost reimbursement program and required a 14.5% match. It was a good option. The average cost per bus stop was about $4-5,000.

She handed out the revised PIF. At the RPO meeting they were awarded $114,000. She noted the changes in the PIF. The project was on the ICIP priorities at #5. It was to pre-existing bus stops and shelters. The plan would prioritize the stops that were out of compliance and use ADA standards for the transition. The costs were estimated at $96,000; environment planning at $8,500 and a total cost of over $200,000. There might be more costs in construction, depending on the work needed. The match of $26,829 would come from GRT and for capital outlay the federal funds would be $159,000. She didn't have actuals yet but that was the amount agreed to at the RPO.

Commissioner Chávez asked how they arrived at the $60,000 for state funds and where that was in the request pipeline.

Ms. McGuire said it was submitted September 30 and was based on the estimated costs of new shelters at $15,000 including pad and other design issues. It would be $180,000 for each of three years and that would be the maximum for what they wanted to modify.

Councilor Bushee was amazed that the environment costs were about the same as construction costs.

Ms. McGuire said the original TAP request was about $165,000 (page 116) but in order to insure that multiple projects all received adequate levels of funding. It was asked if the District would look at alternative options. She knew they had money through ICIP and other options to look at for other funds. She didn't think the $96,000 would fund everything but she wanted to get the ADA Transition Plan established. She knew the District was not in compliance at all stops and having the transition plan in place would be required so they wanted to make sure it covered the highest priority stops first.

Councilor Bushee asked how many facilities needed updating.

Ms. McGuire said 32 shelters and the stops out of the 32 total. They really needed an overhaul on the entire system. The first phase was for design and planning and the second phase would be the construction. But as it breaks down, they were allowed $12,000 for construction in year one. That would do one or maybe two shelters and would cover the highest priority shelter.

Commissioner Chávez noted in the resolution it said the RTD authorizes staff to submit the application for $252,500 from NMDOT. He asked how that was broken out.

Ms. McGuire explained that was based on the first PIF which was the $252,500 request and it was changed at the meeting (p 116) that amount was to the total project

cost estimate. At the meeting the RTD requested the new PIF. So $184,266 was the new amount for TAP funding. She just thought the project was going to cost more than that but it was tied into the TAP funding.

Councilor Bushee asked if she believed they could get the TAP funding.

Ms. McGuire said they already got the award.

Councilor Bushee moved to approve the application with the adjusted amount. Mr. Shelton seconded the motion and it passed by unanimous roll call vote with Los Alamos County, Santa Fé County, Taos County, Ohkay Owingeh Pueblo, San Ildefonso Pueblo, Santa Clara Pueblo, City of Santa Fé, City of Española, and Town of Edgewood voting in favor and none voting against.

D. Discussion and Consideration of Sipapu Service Expansion

Mr. Mortillaro said this was a follow up from the last meeting and new information from Ms. McGuire.

Ms. McGuire reported, based on the September Board discussions, that staff continued working on the possibility and the cost of weekend service and collaboration with the Chili Line. District staff and Sipapu continued the discussion, adjusting timing and weekend schedules on a trial basis. Mr. Mortillaro and Chair Barrone met with Oscar Rodriguez, Taos Town Manager, and discussed collaboration with Chili Line and staff were scheduled to meet October 2 to discuss routes.

On October 2, the District began working to eliminate duplication and planned to meet again later in October and November to nail down hard figures with more in depth discussion. They discussed Peñasco, Questa and the Taos Ski Valley. They considered the cost changes and found they could reallocate for the Questa Route and in discussions regarding the Chili Line the District was duplicating some service and could set up transfer times to provide regional connectivity.

The modified route schedules and cost details were shown on page 126 and showed a $5,000 cost annually for the Taos loop on the Peñasco route.

Staff requested further time to negotiate and this could provide a cost savings. If that was realized, staff would recommend version 2 in the packet on page 129. This would most readily incorporate Sipapu but wouldn't address employee accommodation on seven days of service Sipapu was looking for. For weekend service, staff recommended further negotiations. Weekend service would be around $3,500 per month. Staff acknowledged that unless there was a contribution put forward by Sipapu it would not be a viable option because it was not currently in the budget. But if its funding could be agreed upon, it might be incorporated on a trial basis and periodically assess how

effective it was for both sides. It was also recommended further review of other options in light of the service plan update.

Three options were presented - no action, approve it and ask staff to bring back a resolution to be approved, or recommend modifications or further deliberations.

The fiscal impact for Option 1 would be about $9,400 per year. For Option 2, the impact would be about $7,900 per year. The impact of Option 3 would be $3,900 annually. She also included a weekend version on page 132 which was not in last month's options. It just gave an idea of how it would work. On 132 it gave the option on weekend route. It was not incorporated into the Peñasco route but just for service to Sipapu and back.

Councilor Bushee understood it would not be a savings of $4,750 if the Taos Route was just removed.

Ms. McGuire said as shown on page 126 the loop would be absorbed into another route, probably the Questa route. But it could eliminate the redundancy.

Councilor Bushee asked if there was any estimate on those cost savings.

Ms. McGuire said it could free up $5,000 from the Peñasco cost, however the driver would either have cut hours or be switched to other route service. If they ran Sipapu as a separate service that driver could have those hours but with weekday service it would add more duties.

Councilor Bushee thought it was maybe a good idea but more information was needed and maybe the Chair could inform the Board of other talks with Taos.

Mr. Mortillaro agreed it was complicated. The Taos town manager was interested in eliminating the duplication but wanted the RTD to pick up the Taos Express services seven days a week at a cost of $75,000 per year. Or about $6,500 per month.

The UNM Klauer route could be eliminated and that costs $132,000 per year. If they agreed. Then the District could pick up the Taos Express. Some data needed to be verified because the information Chair Barrone and he received wasn't the same as what staff said.

Chair Barrone said the Chili Line was not funded through the RTD and they ran it to Taos Ski Valley. They used the same bus stops but it was duplicated service.

Ms. McGuire clarified that they wouldn't eliminate UNM entirely but would coordinate with Taos to eliminate duplication. There would be no impact on riders.

Mr. Mortillaro said our riders might be impacted in that if they go by the white bus

they pay and the blue bus was free.

Ms. McGuire felt there were lots of opportunities to work together. Maybe a transfer could be used so it wouldn't be a competitive thing. We don't want to reduce their fare income.

Mr. Mortillaro added that the RTD did that with Santa Fé Trails so there was good precedent for that.

Councilor Bushee asked what the fare was.

Ms. McGuire thought it was maybe $2.

Commissioner Chávez thought it was $1 and with Park and Ride it was $1 or $2, depending on the transfer taken.

Councilor Bushee didn't think the user would mind paying a $1.

Chair Barrone said the Sipapu Manager was here and they were willing to contribute if they needed to.

Ms. Mermejo felt this was a good discussion. She lived at the heart of this area being discussed. 11.5% of people in Sipapu were in poverty. Sipapu was one of few employers in their area. A lot of people needed to use transportation from Peñasco to Sipapu. It wasn't like Santa Fé. There was no money up there. So charging would make us lose our perspective there. Ms. McGuire was doing awesome work. She thought they should try to do it even without a Sipapu contribution. She was willing to help any way she could.

Councilor Bushee said she was just trying to get the for profit company to participate and was not trying to get the residents to pay for the transportation but was thinking about the tourists and skiers.

Ms. Mermejo said this would be very beneficial for Sipapu residents.

Mr. Mortillaro reminded them the policy was already fare free. Mr. Forrest could comment later. If Sipapu or any corporate ski area wanted, they could add a surcharge onto the lift ticket to get their contribution made. But the whole discussion was getting their employees to work and back. Without being able to get workers there, they couldn't open their doors.

Commissioner Chávez focused back on the recommended action here. There were several versions and lots of thought had gone into them. More significant was the discussion and the need for it to continue. He would support the first recommendation by staff. It was establishing some collaboration that could become stronger.

Commissioner Chávez moved to approve staff's first recommendation to continue the conversation with Sipapu, the Town of Taos and the Chile Line.

Chair Barrone said there was no pressure on staff but he would like to see us get a timeline so we could do something before the ski season opening. He asked if the Board could move forward on it.

Mr. Mortillaro said the challenge was getting the Town of Taos to align with the RTD's time line.

Commissioner Chávez said even though these needs come up but they needed to adhere to the service plans and amend them as new services come up. So it was hard to impose a deadline for things the RTD had no control over. He would leave that to staff who are doing a good job. He wouldn't be comfortable to impose a deadline that would cause problems down the road.

Councilor Bushee asked if there was any sense on how much contribution and how it could move forward.

Ms. McGuire said she and Mr. Forrest had touched on it but were waiting to talk hard numbers until they knew what happened here and at Taos.

Mr. Forrest thanked Ms. Mermejo who spoke the employee's side clearly. One of their objectives was to be the least costly ski area in New Mexico. They were not stuck with a $60 life ticket. The adult lift ticket price was $44 out of which the resort got $17 per lift ticket. They also had food service and the sport shop to help with revenue. The question was whether they could make more money and spend less with a shuttle service. It would save their fuel costs so it would be like a raise for staff.

Sipapu was committed to be here to see how things were going and he wanted to get things done. They would work with every institution possible to reach the goal of more business and reduced costs. They wanted people to enjoy the sport and to provide employment. He knew the City of Santa Fé was trying to get people up to Ski Santa Fé but the RTD would have to engage the private sector.

Councilor Bushee asked if they were looking at year-round service or just the ski season.

Mr. Forrest said they were looking at the ski season and if Sipapu must pay something it must help us get increased skiers and to get reliable staffing. Their weekends were already booked for next summer.

Councilor Bushee asked if Taos was fearful of this affecting their labor pool.

Mr. Forrest didn't think so.

Councilor Bushee asked what the log jam was then.

Chair Barrone said it was completion of negotiations with the Town of Taos.

Mr. Mortillaro added that for whatever reason with prior staff, there were issues that contributed to lack of collaboration in the past with the Town. The first meeting focused on some of that and he hoped the second meeting would get to the hard facts. The Town Manager was very specific on what they would like to see.

Councilor Bushee thought the service plan was flexible and the Board needed to focus on getting people to places they need to go. It was always the Board's job to review the service plan to make it be most efficient. So we need to get the two entities together to agree and then figure out the most effective way.

Councilor Bushee seconded Commissioner Chávez' motion.

Ms. McGuire was encouraged by the conversations they had this week and thought it was productive. There would be cost saving benefits for both agencies to eliminate duplications or swap services with each other. She looked forward to the next meeting to make some progress done. It might take a few meetings to get it finished.

The motion passed by unanimous roll call vote with Los Alamos County, Santa Fé County, Taos County, Ohkay Owingeh Pueblo, San Ildefonso Pueblo, Santa Clara Pueblo, City of Santa Fé, City of Española, and Town of Edgewood voting in favor and none voting against.

E. Discussion and Consideration of Ghost Ranch Service Expansion

Mr. Mortillaro said the letter requesting consideration of Ghost Ranch service expansion was submitted by Mr. Campos at the last Board meeting. The results of findings were presented.

Ms. McGuire shared the results from their findings. She said Ghost Ranch contacted the District in August about their transportation needs and indicated that they had about 40 staff in double shifts. She presented five possible versions for addressing the Ghost Ranch needs. She referred to a chart in the packet about these versions.

Version 1 was on page 142 and the added cost would be $332 per year with service three times per week, Tuesday through Thursday (the current Chama Route). It was just a four-minute per day increase. It would be the easiest to implement. It would add a bus stop on Highway 84 at the Continental Divide Trail - the Ghost Ranch access road. Possible cost savings in the Taos Route could be used to cover these costs.

Version O'Keeffe was "the perfect world for Ghost Ranch" and would meet employees' needs as well as for visitors and tourists from Chama and Española areas. It would be a five day per week route. She said staff would prepare a resolution making those changes for consideration at the November Board meeting.

For fiscal impact, Version 2 (page 143) would cost approximately $10,000 annually and would expand the Chama Route to Monday through Thursday. Version 3 (page 144) would expand the Chama Route to Monday through Friday would cost more annually.

Version LA Ghost (page 145) would tie in some of the service plan update from the community meeting in the Chama area that would help serve residents who worked in Los Alamos to coordinate those needs with Ghost Ranch needs. It would require a full rework of Chama Route and bigger expense. That could become an option for the future.

Version O'Keeffe (Monday through Friday) would be recommended by staff if there was money found to cover the added costs as it would provide better options for tourists coming from Santa Fé or Española and locals.

Councilor Ring asked if Ghost Ranch was closed on the weekends.

Ms. McGuire said they were open on weekends and summer was their bigger time.

Mr. Dan Manzanares, Chief of Operations from Ghost Ranch, was present and said they could use 7-day service. Lots of groups and individuals came there and they would commit to get a bus out to the highway for employees. When gas prices went up employees couldn't afford to get there.

Councilor Ring said he was curious about it but not proposing it. It did fulfill the District's mission and was a win-win but was for someone else to negotiate.

Chair Barrone asked Ms. McGuire what the District could afford to do.

Ms. McGuire said right now staff recommended version 1but thought they should revisit it in the future.

Mr. Mortillaro added that a lot of these additions or enhancements were really identifying a revenue service like they did with reallocation on the Las Trampas route. The recommendation would always be to do what they could do within budget first and then share options on reallocation.

Mr. Shelton asked about their staff numbers

Mr. Dan Manzanares said right now there were 55 staff at Ghost Ranch but in the summer the staff increased to 110.

Mr. Shelton asked Ms. McGuire about any rider surveys. He recalled they changed the route about a year ago for medical trips.

Ms. McGuire said not at this point but what drove that were discussions at community meetings provided by community members and they needed to do that research. She would be comfortable doing surveys.

Mr. Mortillaro thought Ms. Debbie Manzanares had talked with her staff about interest

Ms. Manzanares said she attended the meeting in Tierra Amarilla and then presented it at one of their staff meetings and had that feedback. There was interest. They had fluctuating schedules with cooks coming at 6:30 to 3:30 and some from 8 to 5 and 11:30 to 7:30. They had a very limited labor pool. They had openings and those who interviewed often said it was really a long drive.

Councilor Bushee moved to approve Version One. Ms. Valério seconded the motion and it passed by unanimous roll call vote with Los Alamos County, Santa Fé County, Taos County, Ohkay Owingeh Pueblo, San Ildefonso Pueblo, Santa Clara Pueblo, City of Santa Fé, City of Española, and Town of Edgewood voting in favor and none voting against.

Upon motion by Commissioner Chávez and second by Councilor Bushee with unanimous voice vote, the Board recessed from 11:23 to 11:38 a.m.

During the recess, Ms. Mermejo excused herself from the meeting.

DISCUSSION ITEMS:

F. Financial Report for September 2013

Ms. Aragon referred to the Financial Report in the packet starting on page 147. Page 150 gave the overall GRT summary. Page 155 showed the overall grant revenue. Income from the first advertising on buses was received this month. Page 157 provided the month by month expenditures. Administration was at 17%, Operations was at 8.2% of budget, and Capital Outlay was at 0%.

She reported the external audit review took place on September 17-18 and she expected a draft report in October. She thanked staff for their understanding during that audit review time. The audit looks good for a positive result this year. She anticipated it to be an unqualified audit this year.

Chair Barrone asked if there was anything out of the ordinary this month on financials.

Ms. Aragon said she didn't know what anticipated GRT would be.

There were no concerns from the Board.

G. Finance Subcommittee Report

Mr. Vigil was not present for the report.

Mr. Mortillaro reported that at the last meeting, the Finance Subcommittee received the end of year budget report and considered joining the Local Government Investment Pool. After discussion they wanted more information about it. For the October meeting they will have a long term financial plan and discuss reserve policies and hopefully the exit conference with the auditor.

Commissioner Chávez added regarding the Local Government Investment Pool that some Subcommittee members wanted staff to look at all options and bring findings to the full Board. Regarding the reserve and being conservative, they wanted to be careful to designate portions of the reserves for specific purposes.

H. Tribal Subcommittee Report

Ms. Valério said they had not had any meeting but hopefully by next meeting they should have a report.

I. Executive Report for September 2013 and Comments from the Executive Director

1. Executive Report

2. Performance Measures for August 2013

3. Ridership Report for August 2013

Mr. Mortillaro said regarding the federal shutdown, the good news for the District was that there would be no impact. The state was a year behind in spending federal dollars.

He asked Mr. Kelly to review the performance measures that were on pages 165.

Mr. Kelly reviewed the measures in the packet. He noted that all NCRTD operated routes showed increasing ridership. The spare vehicle ratio has been static. Today they would be getting two replacement 14-passenger vans so the ratio would change next month.

Regarding complaints they had one from an 80 year old ADA passenger who through a communication error didn't get on the list. He met with one individual, Mr. Bean, who had several complaints.

Chair Barrone noted there was a report in Rio Grande Sun about complaints and believed they had been taken care of.

Mr. Mortillaro said he and Mr. Kelly both talked with the reporter and the complaint also tells different stories to the Governor's office.

Mr. Kelly defined customer incidents and Councilor Ring asked if the majority of confrontations were the result of alcohol.

Mr. Kelly said about 10-15% were related to alcohol and the rest were from just not getting along. It varied each month and alcohol was an issue.

MATTERS FROM THE BOARD

There were no matters from the Board.

MISCELLANEOUS

J. Request for Service to Santa Fé Ski Basin

Councilor Bushee believed they had a letter from her. Mr. Bulthuis had been attending these meetings in the last few months and it was great today to see the work that has been done.

She said she was introducing the resolution to change the service plan. The City continued to have discussions with Abruzzos, owners of Santa Fé Ski Basin and CVB staff and transit staff. They were seeking corporate representation. This was part of the Santa Fé County's plan. There are a lot of workers and lots of young people without a car who were hiking up there. This too could be a good year-round service. It was a pretty hopeful effort at this point.

Commissioner Chávez was interested in seeing a resolution drafted by RTD for such service and asked Mr. Mortillaro if staff could formulate a resolution on it or however the

Board would handle it.

Mr. Mortillaro clarified that the protocol as established by the Board in 2009 was that a board member just needed to submit a letter asking for a staff analysis and then for the Board to evaluate the results. That was followed in a number of requests already.

Commissioner Chávez moved to accept the request of the City of Santa Fé and that the process established in Resolution 2009-15 be followed. Councilor Bushee seconded the motion.

Councilor Bushee mentioned that this also went through the City's Occupancy Tax Advisory Board (OTAB). She didn't have the minutes here but could get a copy to Mr. Mortillaro.

Mr. Mortillaro said he did attend the OTAB and Mr. Bulthuis explained the protocol to them. One member had a number of questions and he became more supportive after the discussion.

Councilor Bushee said the resolution was prepared for the OTAB and extended the invitation to see if the Santa Fé County Commission wanted to participate and be invited to the meetings.

Commissioner Chávez said he had made a commitment to address those matters but was not comfortable with introducing the resolution to the County Commission before the RTD had addressed it. He and Commissioner Anaya had agreed to not do that until discussed at NCRTD.

Chair Barrone noted she failed to put Taos County on it. He said the proper protocol was to move them forward and by bringing this letter, this put the City's foot in the door and the Board could do that.

Councilor Bushee agreed to make that correction and would bring it to the November 8 meeting.

Ms. McGuire didn't know that staff would have a plan in place by the November meeting and would be more comfortable with a later deadline.

Commissioner Chávez didn't think they should rush this.

Mr. Mortillaro deferred to Ms. McGuire who was the one that was doing all the work on analysis and knew she wanted to do it comprehensively. This one was different than the others because it would be a brand new route and require new vehicles.

Councilor Bushee agreed there was no attempt to rush it. OTAB was just the first possible source for revenue and she didn't know what contribution was sought by RTD

and there were a lot of pieces to this puzzle.

Ms. McGuire said she would much rather do it right so if it came to fruition it would be ready to go. She thought it could take, 6 or 9 months.

Councilor Bushee asked for a friendly amendment to bring regular reports on progress to the Board. Commissioner Chávez accepted the amendment as friendly and the motion passed by unanimous roll call vote with Los Alamos County, Santa Fé County, Taos County, San Ildefonso Pueblo, Santa Clara Pueblo, City of Santa Fé, City of Española, and Town of Edgewood voting in favor and none voting against. Ohkay Owingeh Pueblo was not present for the vote.

ADJOURN

Next Board Meeting: November 8, 2013 at 9:00 a.m.

Councilor Bushee moved to adjourn the meeting. Councilor Ring seconded the motion and it passed by unanimous voice vote.

The meeting was adjourned at 12:10 p.m.

Approved by:

_____
Daniel R. Barrone, Chair

Attest:

_____
Geoffrey Rodgers, Secretary

Submitted by:

_____
Carl Boaz, Stenographer

Agenda Report
NCRTD Board of Directors Meeting
Meeting Date: November 8, 2013
Agenda Item - A

Title: Discussion and adoption of Resolution No. 2013-26 Providing Authorization to Invest District monies in the Local Short-Term Investment Fund in the State of New Mexico Local Government Investment Pool (LGIP)

Prepared By: Anthony J. Mortillaro, Executive Director and Glenda Aragon, Finance Director

Summary: The NCRTD has an adopted investment policy however, District funds have simply been placed in an operating checking account bearing minimal interest thru Los Alamos National Bank. District staff is seeking Board authorization as is required by LGIP in order to participate in the pool, which is a permitted investment noted within the NCRTD investment policy.

The state of New Mexico's participating government investment fund, known as the New MexiGROW Local Government Investment Pool or LGIP, was established under NMSA 1978, Section 6-10-10.1. The LGIP is a short-term investment fund, consisting of deposits from governmental entities and Indian tribes or pueblos. The authorizing statute offers eligible participating governments a voluntary investment option that is intended to safely generate market returns by utilizing the purchasing power of a large pooled fund.

The LGIP is held in the custody of the State Treasurer, who invests the pooled funds as allowed under state statute with the advice and consent of the State Board of Finance. The fund is managed internally by the State Treasurer's professional portfolio managers. Investment activity and performance are reported monthly to the State Board of Finance and to the State Treasurer's Investment Committee, also known as STIC. STIC is composed of the State Treasurer, the Treasurer's Chief Investment Officer, the director of the State Board of Finance, and two public members from the investment community selected by the Treasurer and the State Board of Finance. The State Treasurer's monthly investment reports are posted regularly on the state Treasurer's Office (STO) website.

Section 6-10-10.1of the N.M.S.A. establishes guidelines applicable to the investment of funds deposited in the LGIP. This statute requires that the portion of the LGIP invested in short-term investments be rated by a nationally recognized statistical rating organization and maintain a rating of AA, the State Treasurer also immediately submits a plan to the State Board of Finance detailing

the steps that will be taken to obtain a AA or higher rating. The LGIP adheres to all criteria relevant to its rating category and provides to the rating agency any key policy or staff changes.

The District's investment policy which was adopted and incorporated into the Financial Policies is attached hereto. Overall the District's investment strategy is passive. The benchmark for the District's investments is the 90 Day U.S. Treasury Bill or the treasury security that most closely matches the duration of the portfolio. To date the Districts funds have simply been placed in an interest bearing account with Los Alamos National Bank. The funds are collateralized at 100% which exceeds the requirement within the District's policy and state law. The District's investment policy identifies the LGIP described in Section 6-10-10.1 N.M.S.A. maintained by the State of New Mexico as a permitted investment.

Meeting with State Treasurer's Office Staff:

On October 10, 2013 the Finance subcommittee and RTD Staff met with the New Mexico State Treasurer's staff members to review the possibilities for participation in LGIP for the District. In brief the meeting was productive and gave the committee an idea of what LGIP had to offer. LGIP is a tool local governments and districts can utilize for short term investments as an alternative to less risky investments such as CD's and Treasury bills. The State Treasurer has particular types of investments that establish certain prerequisites, limitations and other requirements related to those investments. Moreover, the State Treasurer may further limit or restrict those investments. The securities that the LGIP buys all provide a yield relative to the federal funds rates.

The LGIP Investment objectives are as follows:

1) Safety
    a) Maintain Stable Net Asset Value
    b) Put in a Dollar: Get a Dollar Out + Interest
    c) AAA Rating-Statute Requires AA
2) Liquidity
    a) Cash Available within 24-48 Hours of Notice
3) Yield
    a) NOT at the expense of the two objectives above.

The LGIP primary focus is on safety and security with the availability of funds to the investor if and when needed. Yield is currently is not there primary objective, thus a majority of the investments are in short term investment instruments. Currently the LGIP % of pool investments maturities are as follows:

- 34% in Over Night
- 14% in 1 month
- 29% in 1-3 months
- 5% 3-6 months
- 6% 6-9 months
- 12% 9+ months

A majority of the Securities Holdings are tied into the US Government holdings which inherits their safety. The Securities/Holdings are as follows:

- 19%-Treasury
- 41%-Agency

- 2% FDIC Insured
- 6% Supranational
- 0% Corporate
- 32% Overnight Bank Deposits
- 0% Repo

The LGIP did disclose to the District that their annual rate of return is close to the .18% to .21% with the fee of 5 basis points which is included in the annual yield.

Alternative investments:
The staff has conducted research on alternative investments that carry a higher yield and that complies with NCRTD investment policy. Alternatives to LGIP investments would include investment in simple secured assets such as Certificate of Deposits through a Federal insured institution (Bank).

A treasury bill is a bond, with an interest-bearing certificate that is issued by a government or business promising to pay the holder a specified sum on a specified date. Treasury bills (T-bills) are short-term securities that mature in one year or less. The District would buy them for less than par (face) value. When the bill matures, the District receives par value. Both securities pay interest every six months until maturity when the full face value of the note is due. The availability to purchase treasury bills is also available for purchase through LGIP.

Recommended Action: The Finance Subcommittee held a meeting on September 27, 2013 and, the Committee moved to have staff conduct further research with alternative investment vehicles other than LGIP. In addition, the finance subcommittee met with the State Treasurers office on October 10, 2013 and discussed participation in the LGIP. Finally the committee held a meeting on October 25th to further discuss participation in LGIP, and alternative investment vehicles along with diversification of NCRTD fund cash balances and allocations to various investments. The Finance subcommittee reviewed the information presented by LGIP and NCRTD staff as to diversification of investments such as CD's and treasury bills. The staff further recommended that the funds be diversified according to the general following percentage allocations:

1. Liquidity/availability within 24-48 hours at 40% of available funds (savings, checking and LGIP);
2. 60% of available funds in CD's or T-bills that have a higher yield and the same security but less liquidity and a term of 12 months or less.
3. The specific breakdown would be as follows:
    - Savings and Checking account LANB at 12% of budgeted revenue with collateralization at no less than 100% of current market value. State law requires at least 50%.
    - LGIP investment pool at 28% of available funds.
    - CD's and Treasury bills at 60% of available funds.

The Finance subcommittee has unanimously recommended that the Board of Directors consider passage of Resolution 2013-26 to apply to the Local Government Investment Pool (LGIP) for participation, and certifying the Finance Director of the NCRTD, through the Executive Director as authorized signatories to conduct transactions in respect to the LGIP, and the diversification of fund balances as presented. The Finance subcommittee also concurred with the Investment

Allocation Table and recommended the laddering of maturity dates related to Certificate of Deposits.

Options/Alternatives:

1. Take no action; or
2. Approve Resolution No. 2013-26 Authorizing invest in the Local Government Investment Pool (LGIP) (recommended).

Fiscal Impact:

Endorsing the plan of action would give NCRTD the investment plan to gain more interest on idle funds while still adhering to the investment policy requirements.

Attachments:

- Resolution No. 2013-26
- New Mexico State Treasurer's Office- New MexiGrow Local Government Investment Pool (LGIP), LGIP Participant Manual
- Standard & Poor's Pool Profile for NM LGIP-AAA as of March 25, 2013
- North Central Regional Transit District-Investment Policy
- Investment Allocation Table

North Central Regional Transit District (NCRTD)

Resolution 2013 - 26

Resolution Authorizing Investment of Monies in the New Mexico Local Government Investment Pool

WHEREAS, the Governing body in and for the NCRTD, are authorized to participate in the local short-term investment fund, established pursuant to Section 6-10-10-10.1 NMSA 1978, maintained by the New Mexico State Treasurer for the investment of public funds of the local public bodies of the state; and

WHEREAS, North Central Regional Transit District's adopted financial policies allows for the participation of and investment of its funds in the Local Government Investment Pool and which the District finds as prudent passive investment;

NOW, THEREFORE, BE IT RESOLVED THAT the Executive Director has delegated to the Finance Director of NCRTD the responsibility for the management of the District's investment portfolio for and on behalf of NCRTD and authorizes the deposit and withdrawal of monies in the Local Government Investment Pool operated by the State Treasurer of the State of New Mexico.

BE IT FURTHER RESOLVED that the following employees or their successors are authorized to order the deposit or withdrawal of monies in the Local Government Investment Pool until this authority is revoked by the action of the Executive Director and written notice of such action is received by the State Treasurer.

Executive Director, Anthony Mortillaro _____

Signature

Finance Director, Glenda Aragon _____

Signature

PASSED, APPROVED AND ADOPTED BY THE GOVERNING BODY OF THE NORTH CENTRAL REGIONAL TRANSIT DISTRICT ON THIS 8TH DAY OF NOVEMBER, 2013.

_____

Daniel Barrone, Chair

Approved as to form:

_____

Peter Dwyer, Counsel

Volume

1

NEW MEXICO STATE TREASURER'S OFFICE

New MexiGROW Local Government Investment Pool (LGIP)

LGIP Participant Manual

NEW MEXICO STATE TREASURER'S OFFICE - JAMES B. LEWIS, TREASURER

New MexiGROW LGIP

This Manual is intended to summarize current policies of the New Mexico State Treasurer's Office and is not intended to establish any policies. Only policies adopted by the State Treasurer's Office in accordance with statute and the State Treasurer's Investment Policy control the management of the *New MexiGROW* Local Government Investment Pool (*New MexiGROW* LGIP). This Manual is not intended to and does not give rise to any additional rights or remedies and is not a contract. The State Treasurer's Office reserves the right to change, delete or amend any policy or procedure unilaterally and without notice.

New MexiGROW LGIP deposits are not guaranteed or insured by any bank, the state of New Mexico, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency. *New MexiGROW* LGIP deposits involve certain investment risks. Yield and total return may fluctuate and are not guaranteed.

Kirene M. Bargas, New Mexi*GROW* LGIP Bureau Chief
2019 Galisteo Street, Building K
Santa Fe, NM 87505
Phone 505-955-1136 • Fax 505-955-1180

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Chapter 1

LGIP Participant Manual

New MexiGROW LGIP

The state of New Mexico's participating government investment fund, known as the *New MexiGROW* Local Government Investment Pool or the LGIP, is established under NMSA 1978, Section 6-10-10.1. The LGIP is a short-term investment fund, consisting of deposits from governmental entities and Indian tribes or pueblos. The authorizing statute offers eligible participating governments a voluntary investment option that is intended to safely generate market returns by utilizing the purchasing power of a large, pooled fund.

The LGIP is held in the custody of the State Treasurer, who invests the pooled funds as allowed under state statute with the advice and consent of the State Board of Finance. The fund is managed internally by the State Treasurer's professional portfolio managers. Investment activity and performance are reported monthly to the State Board of Finance and to the State Treasurer's Investment Committee, also known as STIC. STIC is composed of the State Treasurer, the Treasurer's Chief Investment Officer, the director of the State Board of Finance, and two public members from the investment community selected by the Treasurer and the State Board of Finance. The State Treasurer's monthly investment reports are posted regularly on the State Treasurer's Office (STO) website at www.stonm.org.

State Treasurer's Investment Authority and Policy

The scope of the State Treasurer's investment authority is defined by the applicable investment statutes and constitutional provisions, principally NMSA 1978, Sections 6-10-10, 6-10-25, 6-10-26, 6-10-37, 6-10-44 and 6-14-10.1, as well as Article VIII, Section 4 of the New Mexico Constitution. Statutes specify the particular types of investments that may be made by the State Treasurer and establish certain

prerequisites, limitations and other requirements related to those investments. Moreover, the State Treasurer may further limit or restrict those investments.

Section 6-10-10.1 establishes guidelines applicable to the investment of funds deposited in the LGIP. This statute requires that the portion of the LGIP invested in short-term investments be rated by a nationally recognized statistical rating organization and maintain a rating of AA or higher. If the rating received by the LGIP is lower than AA, the State Treasurer shall immediately submit a plan to the State Board of Finance detailing the steps that will be taken to obtain a AA or higher rating. The LGIP adheres to all criteria relevant to its rating category and provides to the rating agency any key policy or staff changes.

In addition to applicable state statutes, the State Treasurer's Investment Policy governs the investment functions of the State Treasurer. The Investment Policy is approved by the State Board of Finance and sets forth investment guidelines for all STO investments. Pursuant to the Policy, all investments made by the STO adhere to the fundamental principles of safety, liquidity, and return in that order.

The Investment Policy further requires the STO to diversify its investment portfolios. Assets are diversified to reduce the risk of loss resulting from an over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities.

The following investment and diversification limitations are imposed on the LGIP to comply with the Investment Policy and to maintain the fund rating:

- Allowable investments include U.S. Government obligations, commercial paper (with credit ratings of A-1, P-1, F1, or better), corporate bonds (rated A+ or better), asset-backed obligations, repurchase agreements, variable rate notes, New Mexico municipal bonds, and money market funds registered with the Securities and Exchange Commission (SEC).

- Investments in commercial paper, corporate bonds and asset-backed obligations shall not exceed 40 percent of total LGIP assets.

- Investments in commercial paper or corporate bonds of any single issuer shall not exceed 5 percent of the total LGIP portfolio. Investment in U.S. Agency securities issued by any

single issuer shall be limited to 33.33 percent of the total LGIP portfolio.

- Investment in a SEC-registered, AAA-rated money market fund shall not represent more than 5 percent of the total assets of that fund and no more than 25 percent of the LGIP portfolio.

- Investment in repurchase agreements with a single A-1 rated counterparty shall be limited to 25 percent of total pool assets. Flexible repurchase agreements are not allowable investments for the LGIP portfolio.

- The weighted average maturity, or WAM, of the portfolio shall be 60 days or less. Portfolio maturities are laddered to avoid undue concentration of assets in a specific maturity sector and to accommodate anticipated cash flow requirements.

- The portfolio shall maintain a minimum of 50 percent of total assets in A-1+ rated securities and a maximum of 50 percent in A-1 rated securities. Repurchase agreement counterparties must have a A-1 or better rating; money market funds used as investments must be AAA rated; commercial paper investments shall be rated A-1+.

- The State Treasurer's Investment Policy mandates that the Pool be invested to maintain a stable net asset value of $1.00 per share. Should the portfolio experience a fluctuation in net asset value that drops below 0.9975 cents per share, the State Treasurer's Office is required by policy to notify the State Treasurer's Investment Committee.

- The final maturity of fixed-rate investments of the Pool shall not exceed 397 days, and the recorded maturity date of callable investments shall be the stated final maturity rather than the call date.

- The STO is required to procure or develop and maintain a shareholder accounting system for the Pool to account for deposits, withdrawals, and interest distributions. To meet this mandate, the STO has implemented the QED Information System, which is an investment accounting and tracking software application.

- Income is equal to accrued interest, plus or minus realized gains or losses, less an administrative fee. The administrative fee is recognized as revenue to the State General Fund. Section 6-10-10.1 directs the State Treasurer to use the administrative fee for the administration and management of the LGIP subject to appropriation by the state legislature.

Participation in the LGIP

Section 6-10-10.1, NMSA 1978 allows eligible participating governments to make deposits in the LGIP with the approval of their governing bodies. Eligible participants include, but are not limited to, school districts, post-secondary educational institutions, special purpose districts, cities and counties, and Indian tribes and pueblos.

Investment of Pool Funds

The scope of the State Treasurer's investment authority is defined by the applicable investment statutes and constitutional provisions, principally NMSA 1978, Sections 6-10-10, 6-10-25, 6-10-26, 6-10-37, 6-10-44 and 6-14-10.1, as well as Article VIII, Section 4 of the New Mexico Constitution. Statutes specify the particular types of investments that may be made by the State Treasurer and establish certain prerequisites, limitations and other requirements related to those investments. Moreover, the State Treasurer may further limit or restrict those investments. Section 6-10-10.1 establishes guidelines applicable to the investment of funds deposited in the LGIP.

Management of Investment of Funds

The State Treasurer's Office Local Government Investment Pool Bureau manages the investments, tracks participant activity, and computes and distributes participant investment earnings. Investment earnings are based upon a participant's account balance and the average term that a deposit is held in the Pool. Professional investment portfolio managers coordinate and execute investment trades utilizing online trading platforms, Bloomberg and TradeWeb in compliance with the State Treasurer's Investment Policy.

Interest on Investment

The Local Government Investment Pool Bureau provides daily an interest rate that estimates the daily return on LGIP deposits along with informational current rates for short-term investments offered by the

U.S. Treasury. The daily rate may be obtained by calling the STO at (505) 955-1171 or visiting the STO website at www.stonm.org. Interest income is distributed monthly via automated clearing house (ACH) transaction or is reinvested no later than the fifth working day of the following month. Monthly income shall be equal to accrued interest, plus or minus realized gains or losses, less an administrative fee. The actual interest rate is a blended yield of the investment holdings determined at the end of the accounting period (month end). Interest is earned on the business day of deposit, once a deposit is verified to have been received into the LGIP bank account and has met all deposit requirements set forth by the LGIP Bureau. Once a withdrawal is processed the amount withdrawn no longer receives interest on said amount on the date of withdrawal.

Net Asset Value

The State Treasurer's Investment Policy mandates that the LGIP be invested to maintain a stable net asset value of $1.00 per share. Should the portfolio experience a fluctuation in net asset value that drops below 0.9975 cents per share, the State Treasurer's Office is required by policy to notify the State Treasurer's Investment Committee.
The LGIP is designed and managed to maintain a net asset value of $1.00 and allows for investment of funds that may be needed by participants at any time.

Separation of Participant Money from Other Public Money in the Investment Pool

Participating governments' invested funds are pooled for investment purposes but are accounted for and reported separately, as required by statute. All interest earned from investment of LGIP assets is distributed to a participant in an amount directly proportionate to their respective amount on deposit in the Pool and the length of time the amount on deposit is invested.

Cost of Participation in the Pool

By law, the STO may charge a fee to participants in the LGIP. A nominal fee is assessed at the end of each month for administrative expenses and services necessary to operate the pool. The fee is assessed based on the average daily balance of the participant balance.

Steps to Become a Participant

An eligible governing body must, by resolution, authorize participation in the LGIP. A copy of the resolution, an application form, and a certificate with signatures of persons authorized to conduct transactions are forwarded to the STO. Upon receipt of the completed documents, STO accepts a deposit into the LGIP. LGIP participant forms are available on the STO website at www.stonm.org.

Before the funds of an eligible governing body may be invested or reinvested in the LGIP, it is the responsibility of the eligible governing body to comply with NMSA 1978, 6-10-36, if applicable, and any other statutes or policies that may apply to the eligible governing body.

Investment of a Minimum Amount

$5,000.00 is the minimum amount needed to participate in the Pool. If special circumstances require investment of smaller amounts, the STO requires a written explanation of the circumstances prior to acceptance of a participant's deposit.

Risk

All investments purchased for the LGIP have a credit rating of A or better to ensure the highest level of safety. All U.S. Government securities are rated AAA and commercial paper qualifying for investment is rated A-1+. The STO is required by law to have overnight repurchase agreements secured at 102 percent by U.S. Treasury and Agency securities. Additionally, the LGIP requires that repurchase counterparties be rated A-1 or better.

New MexiGROW LGIP deposits are not guaranteed or insured by any bank, the State of New Mexico, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency. *New MexiGROW* LGIP deposits involve certain investment risks. Yield and total return may fluctuate and are not guaranteed. Prior to making investment decisions, participants should consider market risk, interest rate risk, and credit risk in determining whether an investment is appropriate.

A detailed description of risk reportable under GASB Statement No. 40 is available to download from the STO website at www.stonm.org, at the "*New MexiGROW* LGIP" tab and the "GASB 40 Disclosure" subtab.

Custodian for *New MexiGROW* LGIP

The state's fiscal agent bank contracts with a third-party custodian to hold all purchased securities along with the required pledged collateral on the overnight repurchase agreements.

Ratings

Section 6-10-10.1 requires the portion of the LGIP invested in short-term investments be rated by a nationally recognized statistical rating organization and maintain a rating of AA or higher. If the rating received by the LGIP is lower than AA, the State Treasurer shall immediately submit a plan to the State Board of Finance detailing the steps that will be taken to obtain a AA or higher rating.

The ongoing rating process involves a review of the STO's internal controls, investment policies and procedures, portfolio inventory, and the fund manager's experience. The *New MexiGROW* LGIP is rated AAAm. The LGIP adheres to all criteria relevant to its rating category and provides to the rating agency any key policy or staff changes.

Independent Auditor

The STO is subject to annual review and audit by an independent auditor and the New Mexico State Auditor. The annual audits for the fiscal years ended June 30, 2006, 2007 and 2008 are downloadable from the STO website at www.stonm.org.

Availability of Participant Funds

When depositing money in excess of $20 million into the LGIP, participants must notify the LGIP bureau of the length of time the deposit will be in the Pool. Participant funds of amounts less than $30 million may be withdrawn within 24 hours. Withdrawal requests in excess of $30 million require 48-hours notice to the STO. Only those persons authorized on a participant's LGIP application shall conduct transactions for a participant's account. All forms associated with participant deposits or withdrawals are available on the STO website at www.stonm.org.

The following procedures must be followed in order for participants to deposit or withdraw funds from the LGIP portfolio.

Notification of the intent to submit a transaction form must be provided to STO via phone, email, or fax.

Contribution and withdrawal forms must be completed, signed by the authorized person, and sent to STO via fax or email.

Participants are responsible for providing accurate banking instructions to the LGIP Bureau. Participants are also responsible for updating account information a minimum of once a year. Participants should also ensure that their contact information is updated as necessary.

STO Contact information:

- LGIP Bureau Fax: (505) 955-1180

- Hannah Chavez, LGIP Accountant
  Phone: (505) 955-1154
  Email: Hannah.chavez@state.nm.us

- Kirene M. Bargas, LGIP Bureau Chief
  Phone: (505) 955-1136
  Email: Kirene.bargas@state.nm.us

Contributions

Once a participant provides the proper documentation to LGIP, the participant must contact their respective financial institution to implement the transaction. When the STO receives funds from the participant's financial institution, a deposit is made into the LGIP bank account. The transaction is then entered into the participant's LGIP account and the funds are available for withdrawal.

Withdrawals

Once a participant provides the proper documentation of a withdrawal to the LGIP Bureau, the request will be reviewed for acceptance by the LGIP Accountant. Upon acceptance, the LGIP Accountant will process the request through the LGIP Financial system.

The LGIP Bureau will transfer funds based on the banking information provided to the LGIP Bureau. All of the following withdrawal guidelines must be followed by LGIP participants:

Withdrawal Guidelines

- Amounts less than $30 million may be withdrawn within 24 hours of notice to the STO;
- Amounts of $30 million to $60 million require 48-hours notice to the STO; and
- Amounts in excess of $60 million require notice of 5 business days to the STO.

Funds are withdrawn from the Pool one business day prior to transfer to maintain the liquidity of the Pool for all participants.

With prior approval by the LGIP Bureau Chief or a designee, participant withdrawals made within the 24-hour limitation will be treated as an emergency withdrawal. Participants will be charged an emergency withdrawal fee to cover the cost of the emergency wire. Emergency withdrawal requests must follow the withdrawal procedure outlined above and must include a letter explaining the emergency. The LGIP Bureau reserves the right to decline any emergency withdrawals.

Stability Protection

Notwithstanding the withdrawal guidelines, the STO reserves the right to limit participant withdrawals if the State Treasurer determines that doing so is required to ensure the stability of the LGIP.

STANDARD & POOR'S RATINGS SERVICES

POOL PROFILE

March 25, 2013

New Mexico Local Government Investment Pool

Principal Stability Fund Ratings Definitions

AAAm A fund rated 'AAAm' demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk.
'AAAm' is the highest principal stability fund rating assigned by Standard & Poor's.

AAm A fund rated 'AAm' demonstrates very strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. It differs from the highest-rated funds only to a small degree.

Am A fund rated 'Am' demonstrates strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk, but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than funds in higher-rated categories

BBBm A fund rated 'BBBm' demonstrates adequate capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. However, adverse economic conditions or changing circumstances are more likely to lead to a reduced capacity to maintain principal stability.

BBm A fund rated 'BBm' demonstrates speculative characteristics and uncertain capacity to maintain principal stability. It is vulnerable to principal losses due to credit risk. While such funds will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

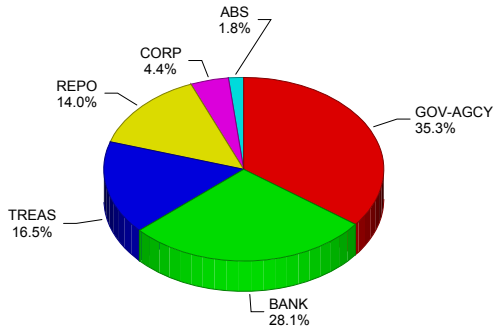
Dm A fund rated 'Dm' has failed to maintain principal stability resulting in a realized or unrealized loss of principal.

Plus (+) or Minus (-)
The ratings may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

About the Pool

Pool Rating	**AAAm**
Pool Type	Stable NAV Government Investment Pool
Investment Adviser	New Mexico State Treasury
Portfolio Manager	Kirene M. Bargas (Since 2007) Vikki Hanges (Since 2011)
Pool Rated Since	August 2006
Distributor	New Mexico State Treasury

Portfolio Composition as of March 25, 2013



GOV-AGCY - Agency and Government; BANK - Bank Deposits; TREAS - Treasury; REPO - Repurchase Agreement; CORP - Corporate; ABS - Asset-backed security

Rationale

Standard & Poor's rates the New Mexico Local Government Investment Pool (LGIP) 'AAAm'. This rating demonstrates that the fund has an extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. This is achieved through prudent internal controls and investment policies. The rating is based on Standard & Poor's analysis of the pool's credit quality, market price exposure, and management. Standard & Poor's monitors the pool's portfolio holdings on a weekly basis.

Overview

The New Mexico Local Government Investment Pool was established in 1991 as a short-term investment pool. The investment objective of the LGIP is to adhere to three fundamental policies: offer safety, provide liquidity, and generate returns. Participating entities include local governments (cities, counties, townships, villages), school districts, higher education institutions, special districts, and quasi-state agencies.

Management

The State Treasurer's Office (STO) operates the LGIP for the use and benefit of New Mexico's communities. Within the STO, a team of professionals are involved with management of this pool. The individuals dedicated to the LGIP on a daily basis include the LGIP portfolio manager, investment division bureau chief, and the investment transaction analysts. They are supplemented by oversight from the chief investment officer. The LGIP portfolio manager, chief investment officer, and the investment division bureau chief comprise the internal investment advisory team, which analyzes and selects all investment activity. The STO reports monthly to the state treasurer's investment committee, which is comprised of the state treasurer, the chief investment officer, the director of the state board of finance, and two private-sector members from the investment community. In addition, on a monthly basis, STO reports the LGIP investment and cash activity to the state board of finance, which is comprised of the governor, the lieutenant governor, the state treasurer, and four appointed members, and is the oversight board for the treasurer's office.

Portfolio Assets

All investments within the New Mexico Local Government Investment Pool are governed by the State Treasurer's Investment Policy and approved by the New Mexico State Board of Finance, which sets state investment guidelines. Management's intent is to offer public entities an investment option that is safe and liquid, and that will perform competitively with national governmental money-market funds. All investments made by the state treasurer adhere to the three aforementioned fundamental principles. In adhering to these principles and statues, investments for the LGIP consist of an array of highly-rated securities such as U.S. government agency securities, direct issues of commercial paper, repurchase agreements, and other bank deposits. All repurchase agreements will be with highly-rated counterparties and over-collateralized with U.S. government or agency securities.

Standard & Poor's Analyst: Peter Rizzo - 212-438-5059 www.standardandpoors.com

Participants should consider the investment objectives, risks and charges and expenses of the pool before investing. The investment guidelines which can be obtained from your broker-dealer, contain this and other information about the pool and should be read carefully before investing.

Principal Stability Rating Approach and Criteria

A Standard & Poor's principal stability fund rating, also known as a "money market fund rating", is a forward-looking opinion about a fixed income fund's capacity to maintain stable principal (net asset value). When assigning a principal stability rating to a fund, Standard & Poor's analysis focuses primarily on the creditworthiness of the fund's investments and counterparties, and also its investments' maturity structure and management's ability and policies to maintain the fund's stable net asset value. Principal stability fund ratings are assigned to funds that seek to maintain a stable or an accumulating net asset value.

Generally, when faced with an unanticipated level of redemption requests during periods of high market stress, the manager of any fund may suspend redemptions for up to five business days or meet redemption requests with payments in-kind in lieu of cash. A temporary suspension of redemptions or meeting redemption requests with distributions in-kind does not constitute a failure to maintain stable net asset values. However, higher rated funds are expected to have stronger capacities to pay investor redemptions in cash during times of high market stress because they generally comprise shorter maturity and higher quality investments.

Principal stability fund ratings, or money market fund ratings, are identified by the 'm' suffix (e.g., 'AAAm') to distinguish the principal stability rating from a Standard & Poor's traditional issue or issuer credit rating. A traditional issue or issuer credit rating reflects Standard & Poor's view of a borrower's ability to meet its financial obligations. Principal stability fund ratings are not commentaries on yield levels.

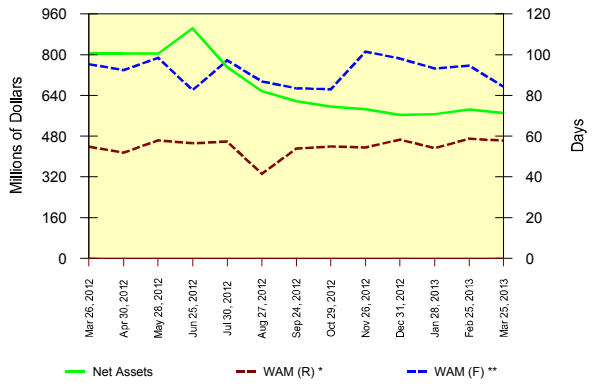
New Mexico Local Government Investment Pool — *AAAm*

Data Bank as of March 25, 2013

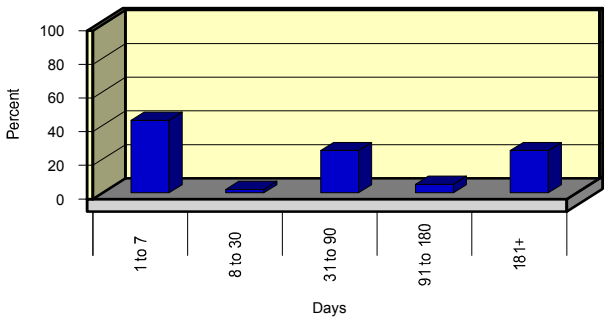
Net Asset Value per Share.....	$0.99982	Net Assets (millions).....	$571.41	Inception Date.....	August 2006
WAM (R) *	58 days	WAM (F) **.....	84 days	7 Day Yield.....	0.10%

* Weighted Average Maturity (Reset) ** Weighted Average Maturity (Final)

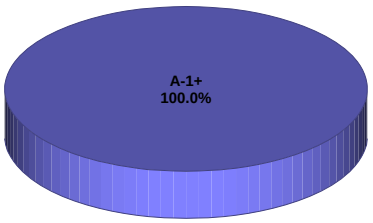
Net Assets, WAM (R) and WAM (F)



Portfolio Maturity Distribution as of March 25, 2013

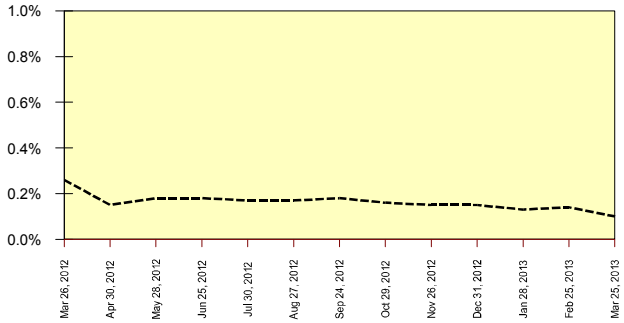


Portfolio Credit Quality as of March 25, 2013 *



*As assessed by Standard & Poor's

Portfolio 7 Day Net-Yield



The yield quoted represents past performance. Past performance does not guarantee future results. Current yield may be lower or higher than the yield quoted.

Pool portfolios are monitored weekly for developments that could cause changes in the ratings. Rating decisions are based on periodic meetings with senior pool executives and public information.

Standard & Poor's is neither associated nor affiliated with the fund.

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North Central Regional Transit District

Investment Policy

New Mexico State Treasurer's Office

Investment Division Bureau

Glenda Aragon *Finance Manager* **North Central Regional Transit District** 1327 North Riverside Drive Española, NM 87532 Email: glendaa@ncrtd.org **www.ncrtd.org** Office: 505.629.4701 Fax: 505.747.6647 Toll free: 866.206.0754	**Anthony Mortillaro** *Executive Director* **North Central Regional Transit District** 1327 North Riverside Drive Española, NM 87532 Email: anthonym@ncrtd.org **www.ncrtd.org** Office: 505.629.4713 Fax: 505.747.6647 Toll free: 866.206.0754

Daniel Barrone

Chair

Anthony J. Mortillaro

Executive Director

Governmental
Board of Directors

City of Española

City of Santa Fe

Town of Edgewood

County of Rio Arriba

County of Santa Fe

County of Los Alamos

County of Taos

Nambe` Pueblo

Ohkay Owingeh Pueblo

Santa Clara Pueblo

Pueblo of Pojoaque

Pueblo of Tesuque

Pueblo de San Ildefonso

Investment Policy

It is the policy of the NCRTD to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state statutes governing the investment of public funds.

Delegation of Authority

Responsibility for the management of the District's investment portfolio is delegated to the Districts Finance Manager by the Executive Director. The District's Finance Manager will establish and maintain written procedures for the operation of the cash management and investment program consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Manager.

Prudent Person Rule

Investments on behalf of the District will be made in accordance with the "prudent person" rule; i.e. investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Scope of Policy

Unless otherwise noted, this investment policy will apply in its entirety to all monies of the District over which it has direct control as well as those funds that the District is responsible for as custodian and/or trustee.

Investment Objectives

The District seeks to balance three primary objectives for its cash portfolio:

- Maintaining sufficient liquidity to meet financial obligations;
- Earning a market rate of return (subject to permitted investment constraints); and
- Diversifying investments among asset classes to ensure safety of principal.

The liquidity goal is achieved by matching investment maturities with the expected timing of obligations. Attainment of a market return is measured by benchmarking the portfolio against a relevant market index. Diversification (safety) is accomplished through implementation of a strategic asset allocation, derived from modern portfolio theory concepts.

Performance Standards

The Districts' objective is to obtain a market average rate of return throughout budgetary and economic cycles that corresponds with invest risk constraints and cash flow needs.

The Districts investment strategy is passive. Given this strategy, the Finance Manager shall determine whether market yields are being achieved by comparing the average District portfolio yield to the 90 day U.S. Treasury Bill or the treasury security that most closely matches the duration of the portfolio.

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and officials who are involved in investing public funds or have the authority to decide how public funds are invested shall disclose to the District Board any material financial interests in financial institutions that conduct business within the Districts jurisdiction, and they shall further disclose the conduct of personal business with, receipt of pecuniary benefit from, or financial interest they have in any entities in which investments are being made.

1. Permitted Investments (any investment not mentioned herein is prohibited)

    i. Direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by , the United States of America or certificates or receipts established by the United States government or its agencies or instrumentalities representing direct ownership of future interest or principal payments on direction obligations of, or obligations fully guaranteed by, the United States of America or any of its agencies or instrumentalities, the obligations of which are backed by the full faith and credit of the United States.
    ii. Accounts, certificates of deposit and time deposits with banks and savings banks located in the District's service area provided that the collateral securing the investment permitted by this paragraph, are secured by the FDIC.
    iii. Bonds or securities of the State of New Mexico or of any agency or political subdivision or school district thereof which has a taxable valuation of real property for the last year of at least one million dollars and has not defaulted in the payment of interest or sinking fund obligation or failed to pay any bonds at maturity at any time within five years preceding the date of investment.
    iv. The "short-term investment fund" described in Section 6-10-10.1 N.M.S. A. 1978 or other similar pooled funds maintained by the State of New Mexico for the investment of public funds of the local public bodies of the state.
    v. Shares of pooled investment funds managed by the state investment officer, as provided in Subsection (G) of Section 6-7-8 NMSA 1978.
    vi. Any other investment permitted at the time of the investment by a statue of the State of New Mexico for public entities.

2. Funds available for investment for more than one year, including monies appropriated to permanent and irrevocable trust funds may be invested as provided in Section 6-10-10.G NMSA 1978. The Investment Officer shall conduct a thorough investigation prior to investing in any pool or fund and on a continuing basis once an investment is made. Information gathered will include a written statement of policy and objectives, eligible securities, interest calculation and distribution, securities settlement and safekeeping, handling gains/losses, audit opinions, and fee schedules and statements.

3. Collateralization

New Mexico state law require that all certificates of deposit, money market, checking accounts, and any other investments not backed by the full faith and credit of the United States Government, other than investments in the New Mexico State Investment Council long-term investment funds, be secured by pledged collateral of at least 50 percent of the current market value. This collateral will be pledged in the name of the District and held by a third party institution, Federal Reserve Bank, or by a trust institution within the same bank as approved by the Financial Manager. The institution will issue safekeeping receipts to the District for securities held by a third party. The District will require that at all times; pledged collateral will be equal to, or greater than, 50 percent of the current market value of the Districts' applicable investments.

4. Selection of appropriate Investments

    i. Individual investments are selected to meet anticipated cash flow requirements and provide adequate liquidity. Within this cash flow perspective, the investment manager will select those securities that will best meet the District's overall portfolio strategy.

    ii. Criteria for selecting investments and the order of priority are:

        1. Safety. The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The objective is to select only those investments that seek to ensure the preservation of capital in the overall portfolio and to mitigate credit risk and market risk.

        2. Liquidity. This refers to the ability to "cash in" at any moment in time with a minimal chance of losing principal or interest. Liquidity is an important investment quality, especially when the need for unexpected funds occurs. The objective is to remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated within one hundred and eighty (180) days.

        3. Yield. Yield is the potential dollar earnings an investment can provide, also referred to as the rate of return. The objective is to attain

a rate of return that equals or exceeds the yield for the three month treasury bill.

5. Diversification

The District will diversify its use of investment instruments to eliminate nonsystematic risk. Strategic and tactical asset allocations shall be determined and revised periodically. In establishing asset allocations strategies, the following general policies and constraints shall apply: Portfolio maturities shall be staggered to avoid undue concentration of assets in a specific maturity range. With the exception of U. S. Treasury securities and authorized pools, no more than 50% of the total investment portfolio will be invested in a single sector or with a single financial institution or in a single maturity range. Maturities selected shall provide for stability of income and reasonable liquidity.

1. Liquidity shall be assured through practices ensuring that the next disbursement date and payroll date are covered through maturing investments.
2. Interest rate risk shall be controlled through duration management such that overall portfolio duration is set to a target based on existing market interest rates and rate expectations.

Selection of Brokers/Dealers

The Financial Manager shall develop and maintain a list of banks and securities dealers approved for securities transactions initiated by the district, and it shall be the policy of the District to purchase securities only from those authorized firms. To be eligible, a firm must meet at least one of the following criteria:

1. Be recognized as a Primary Dealer by the Federal Reserve Bank of New York or have a Primary Dealer within its holding company structure,
2. Report voluntarily to the Federal Reserve Bank of New York,
3. Qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

The Finance Manager will select broker/dealers on the basis of their expertise in public investing and their ability to provide service to the Districts account. Each authorized broker/dealer shall be required to submit and annually update a District approved Broker/Dealer Information Request form that includes the firm's most recent financial statements.

Approved broker/dealers shall attest in writing that they have received and read this Policy.

Safekeeping and Transaction Settlement

The Financial Manager shall approve one or more financial institutions to provide securities safekeeping services for the District. All investment securities purchased by the District will be held in third-party safekeeping by the District's safekeeping agent. The District's safekeeping agent will be required to furnish the District a list of holdings on at least a monthly basis. The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. Ownership of all securities shall be perfected in the name of the District. Sufficient evidence to title shall be consistent with modern investment, banking, and commercial practices.

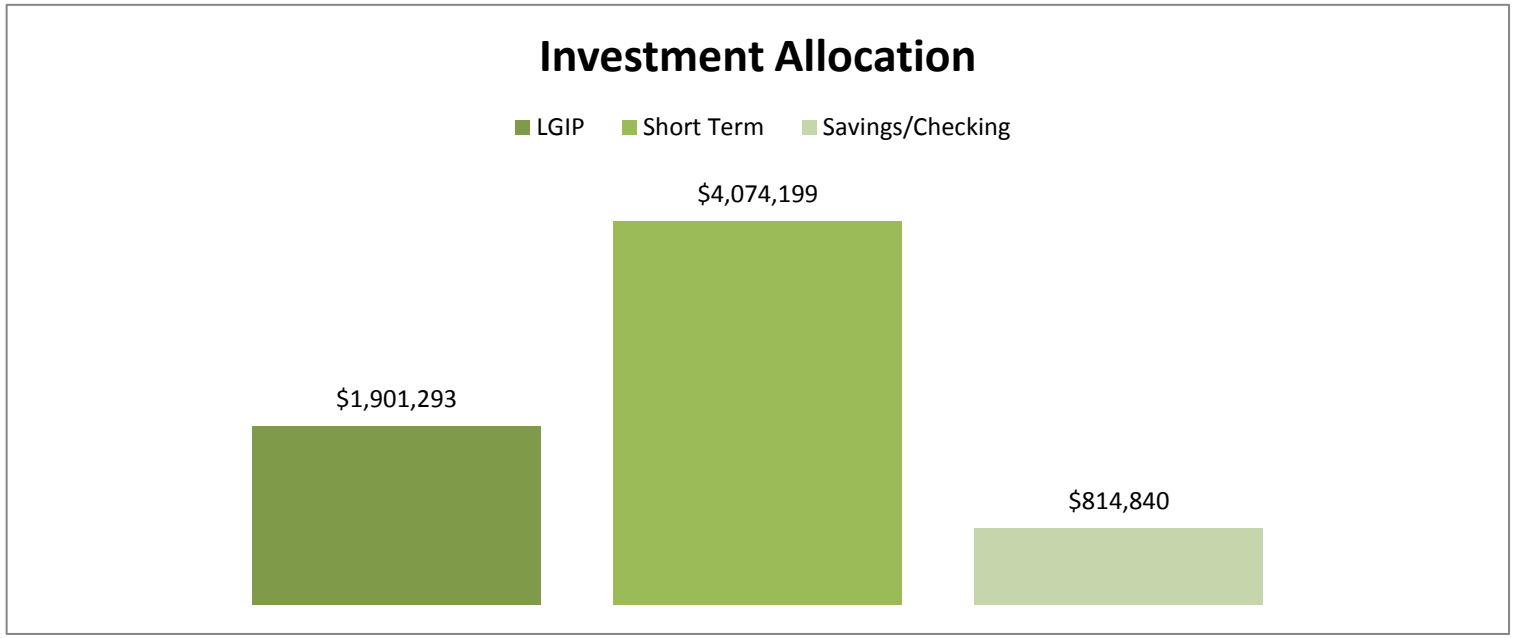
Competitive Transactions

Securities purchases and sales will be executed after obtaining at least two competitive bids or offerings whenever feasible. If the District is offered a security for which competitive offerings cannot be obtained, quotations for comparable securities will be documented

NCRTD Investment Allocation Table

Investment Category	Percentage	Amount	Description
LGIP	0.28	$1,901,293	High liquidity/24-48 hour availability
Short Term	0.6	$4,074,199	CD's or T-bills/12 months or less in term (1)
Savings/Checking	0.12	$814,840	Represents one month of expenditures (1)
			Amount will grow with deposits of monthly revenues
			(1) Will require 100% plus collateralization

Available funds:	$6,790,331



Agenda Report
NCRTD Board of Directors Meeting
Meeting Date: November 8, 2013
Agenda Item - B

Title: Resolution No. 2013-27 Authorizing Direct Deposit Payment for North Central Regional Transit District (District) Vendors.

Prepared By: Glenda Aragon, Finance Director

Summary: The North Central Regional Transit District is being provided services by a variety of vendors that the district would like to begin implementation of a "Vendor Direct Deposit Program" which will ensure a timely form of electronic payment.

Background: Currently North Central Regional Transit District is being provided services by a variety of vendors that the District would like to begin implementation of a "Vendor Direct Deposit Program". The program allows for specified vendors to elect to receive an Automated Clearing House (ACH) payment for services provided to the District. Automated Clearing House (ACH) is an electronic network for financial transactions.

There are many advantages that the District can benefit from by the implementation of this type of program. Currently the district sends out all payments via paper checks that can be lost in the mail, stolen, or delivered to the wrong address thus delaying the process of payment. Electronic payments are safer and more secure, allowing the District to be more efficient and timely in its accounts payable processes. In addition electronic payment records are available online and can be accessed immediately to identify the payment and verification of payment. Many state and local governments currently utilize the process of electronic payment.

Through the use of this process the District would identify specific vendors that would best utilize the program and will be sent a W-9 and enrollment form for participation. The NCRTD has recognized the following groups/vendors that could participate in its program:

- Contracts (legal services, custodial, etc…)
- Utility providers
- Non-RTD (GRT payments)
- Payroll Liabilities
    - PERA
    - Retiree Health
    - GSD

    - ERISA
- Liens
    - P-Card
    - Fuel card

Recommended Action: It is recommended that the NCRTD Board of Directors adopt Resolution No. 2013-27 Vendor Direct Deposit implementation as presented. The Finance Subcommittee met on October 25, 2013, and discussed and recommended approval by the Board. The Subcommittee was advised that currently any vendor payments that exceed $20,000 require two signatures on the check. Under this program that will no longer be required therefore the Subcommittee suggested that we report back to the Board on the status of the program in six months.

Options/Alternatives:

1. Take no action; or
2. Adopt resolution (recommended).

Fiscal Impact:

No Fiscal Impact.

Attachments:

- List of recommended vendors/groups for the "Vendor Direct Deposit program"
- NCRTD W-9 form enrollment form
- Resolution No. 2013-27

Recommended Vendor/groups for Direct Deposit with highest monthly Payments.

- Payroll Liabilities
  - PERA $23,000.00
  - NM Retiree Health Care $3,200.00
  - General Services Department $33,000.00
  - ERISA (transfer from GSD $33,000.00)
- Liens
  - Bank of America $7,000.00
  - Wright Express (Fuel) $38,500.00
- Utility Providers
  - City of Espanola $550.00
  - Jemez Mountain Electric Coop $1,950.00
  - New Mexico Gas Company $1,300.00
  - North Central Solid Waste $155.00
  - Mega Path$1,100.00
  - Windstream $75.00
  - North Central New Mexico Economic Development $370.00
- Contracts
  - Carl Boaz $500.00
  - Basham & Basham $6,500.00
  - Steady Networks $2,400.00
  - Rio Metro $191,000.00
  - Paul Armijo (Janitorial service) $1,970.00

Substitute W-9

North Central Regional Transit District

Do NOT Send to IRS

North Central Regional Transit District

Finance Department

Finance Stamp Here

Vendor Registration and Update, Taxpayer Identification Number Certification & Direct Deposit Authorization

TYPE OR PRINT NEATLY, CHECK THE APPROPRIATE BOX(S) BELOW. PLEASE REFER TO INSTRUCTION FOR MORE INFORMATION

☐ NEW VENDOR REQUEST (Fill section 1,3,4,6-12,14,15) ☐ ADD Remittance Address (Fill section 1,3,4,6,9-12) ☐ ADD DBA/Trade Name (Fill section 1,3,4,6,7,10-12) ☐ ADD ACH Direct Deposit (Fill section 1,3,4,6,8,9-15)	☐ CHANGE Legal Name (Fill section 1,3-5,8-12) ☐ CHANGE DBA/Trade Name (Fill section 1,3,4,6-12) ☐ CHANGE Primary Address (Fill section 1,3,4,6,8,10-12) ☐ CHANGE Remit Address (Fill section 1,3,4,6,9-12)	☐ CHANGE ACH Direct Deposit (Fill section 1,3,4,6,8-15) ☐ CHANGE Entity Designation (Fill section 1,3,4,6,8-12) ☐ CHANGE TIN# (Fill section 1-15) – NOTE: Finance will assign a NEW Vendor ID# for accounting purposes
1) Taxpayer Identification Number (TIN#) (9-digits) ☐ SSN ☐ FEIN	2) NEW TIN# ☐ SSN ☐ FEIN Effective Date / /	3) NM CRS ID # Optional (11-digits) ____ ____ - ____ ____ ____ ____ ____ ____ - 00 - ____

4) Current Legal Name As Registered with IRS or SSA	5) NEW Legal Name As registered with IRS or SSA
6) Current DBA/Trade Name Enter doing business as (DBA)	7) NEW-ADD DBA/Trade Name
8) Primary Address Official address where correspondence, payments, purchase orders, or 1099s should be sent ☐ CHANGE	9) Remittance Address ☐ Same as Primary ☐ CHANGE Additional address to mail payments ☐ CDBG ☐ SHARE Loc# __ __ __
Address Line #1	Address Line #1
Address Line #2	Address Line #2
City / State / Zip	City / State / Zip

10) ENTITY DESIGNATION (Check only one) *Required*

Individual/Sole Proprietorship — Indian Tribe — Estate or Trust

Partnership General/Limited — Corporation/Professional Corporation

Government or Government Operated Entity

Tax Exempt Organization under IRC Section 501 C _____

Limited Liability Company taxed as:

Single Member — Sole Proprietorship

Partnership — Corporation S/C

11) ENTITY ACTIVITY indicate if your entity provides the following: (in space provided put an "A" to ad or "D" to delete, if none, leave blank)

__ Utility

__ Non-RTD

__ Contracts

__ Payroll Liability (PERA, RHC, GSD, ERISA SERVICES)

__ Liens (P-Cards, BOA, WEX)

12) **CERTIFICATION** Under penalties of perjury, I certify that:

1. The number shown on this form is my correct tax payer identification number (or I am waiting for a number to be issued to me), **AND**
2. I am not subject to backup withholding because: **(a)** I am exempt from backup withholding, or **(b)** I have **not** been notified by the Internal Revenue Service (IRS that I am subject to backup withholding as a result of a failure to report all interests or dividends, or **(c)** the IRS has notified me that I am no longer subject to backup withholding, **AND**
3. I am a U.S. Citizen or other U.S. Person.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding

Printed Name	Printed Title	Telephone Number ( )
Signature	E-mail	Date (mm/dd/yyyy)

OPTIONAL DIRECT DEPOSIT (ACH)

Warning: The North Central Regional Transit District will not process International ACH Transactions (IAT). If any payment to you from the NCRTD will ever result in an IAT under National Automated Clearing House Association (NACHA) operating rules or if you are not sure if the rules apply to you DO NOT FILL OUT THIS SECTION OF THE FORM.

The North Central Regional Transit District will only setup ACH information for checking accounts.

13) PREVIOUS BANKING INFORMATION		14) NEW BANKING INFORMATION	
Bank Name		Bank Name	
Bank Routing No. (9-digit ABA#)	Bank Account Number	Bank Routing No. (9-digit ABA#)	Bank Account Number

15) **I ACKNOWLEDGE** the IAT warning and authorize the North Central Regional Transit District to initiate direct deposit of funds to the account and financial institution indicated, and to recover funds deposited in error if necessary in compliance NACHA regulations.

Please provide a copy of a voided check or letter from financial institution confirming banking information.

Printed Name	Signature

Instructions for completing this form

This form substitutes for the IRS W-9 form. Complete this form if you will receive payment from the North Central Regional Transit District. To comply with the International Revenue Service (IRS) regulations regarding 1099 reporting, the North Central Regional Transit District is required to collect the following information to be completed on the Substitute W-9 form. The information collected on this form will allow the NCRTD to confirm that our records contain the official name of your business, the Tax Identification Number (TIN) that the IRS has on file for your business and business type.

Check the appropriate box(S) that this form is to be utilized and fill in the corresponding section(s) indicated next to the box(s) checked.

1) **Taxpayer Identification Number (TIN#)** Is always a 9-digit number. Provide the Social Security Number (SSN) assigned by the Social Security Administration (SSA) or the Federal Employer Identification Number (FEIN) assigned to the business or other entity by the International Revenue Service (IRS). Check the appropriate box to indicate if you are providing an SSN or FEIN.

2) **NEW TIN#** Provide the new number assigned by the SSA or the IRS and enter the effective date of change.

3) **NM CRS ID#** (Optional) is always an 11-digit number that is provided by the New Mexico Taxation and Revenue Department.

4) **Current Legal Name** When changing name, enter the current legal name. As registered with the IRS or Social Security Administration.

5) **NEW Legal Name** Enter the new legal name. As registered with the IRS or Social Security Administration.

6) **Current DBA/Trade Name** Individuals leave blank. Sole Proprietorships: Enter DBA (doing business as) name. All other: Complete only if business name is different than Legal Name.

7) **NEW-ADD DBA/Trade Name** Enter the name of the new or additional doing business as.

8) **Primary Address** Where correspondence, payment(s), purchase order(s) or 1099s should be sent. If primary has changed check the box that indicates "CHANGE."

9) **Remittance Address** Where payment(s) should be sent if different from primary address. If address has changed check the box that indicates "CHANGE." NOTE: State agencies please indicate the SHARE Loc. # in spaces provided. When providing a Community Development Block Grant (CDBG) remittance address, provide bank name in address line #1 and physical address in address line #2.

10) **Entity Designation** Check ONE box which describes business entity. *For LLC entities, you must check the type of LLC.*

11) **Entity Activity** Specify in the spaces provided next to the activity listed with an "A" to add or "D" to delete if the entity provides one of the activities listed. If entity provides none, leave blank.

12) **Certification** By signing this document you are certifying that all information provided is accurate and complete. The person signing this document should be the partner in the partnership, an officer of the corporation, the individual or sole proprietor noted under legal name above, or the North Central Regional Transit District Employee for which the vendor account is established.

Optional Direct Deposit (ACH) You may elect to receive payments from the North Central Regional Transit District through Automated Clearing House direct deposit. Please provide the Bank Name, Bank Routing Number (9-digit-ABA) and Bank Account Number. The North Central Regional Transit District will only setup ACH information for checking accounts. Please provide a copy of a voided check or letter from your bank confirming the banking information you are providing. Without providing this information and providing a copy of a voided check or letter from your bank the direct deposit WILL NOT be setup on the vendor file.

13) **Previous Banking Information** Provide the complete banking information previously listed with the North Central Regional Transit District.

14) **NEW Banking Information** Provide the NEW Banking Information.

15) **I Acknowledge** Print name and sign to acknowledge the IAT warning and to authorize the North Central Regional Transit District to initiate direct deposit of funds to your financial institutions provided.

Privacy Act Notice Section 6109 requires you to furnish your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and other certain income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, or contributions you made to an IRA. The IRS uses the TIN for identification purposes and to help verify the accuracy of your tax return. You must provide the TIN whether or not you are required to file a tax return. Payers must generally withhold a percentage as determined by the IRS of taxable interest, dividend, and certain other payment to a payee who does not furnish a TIN to a payer. Certain penalties may apply.

Penalties If you fail to furnish your correct Taxpayer Identification Number (TIN) to a requester, you are subject to an IRS penalty of $50 for each failure unless your failure is due to a reasonable cause and not to willful neglect. If you make a false statement without a reasonable basis that results in no backup withholding, you are subject to an IRS penalty of $500. Willfully falsifying certification or affirmation may subject you to criminal penalties including fines and/or imprisonment. If the requester discloses or uses TINs in violation of Federal Law, the requester may be subject to civil penalties and imprisonment.

North Central Regional Transit District (NCRTD)

Resolution 2013 - 27

Resolution Authorizing a Vendor Direct Deposit Payment Through the Use Of the Automated Clearing House

WHEREAS, the NCRTD was created through legislative enactment (NMSA 1978, Section 73-25-1 et seq.); and

WHEREAS, the NCRTD is a sub-division of the State of New Mexico; and

WHEREAS, the NCRTD was approved and certified by the New Mexico Department of Transportation on the 14th day of September 2004; and

WHEREAS, the NCRTD is authorized to administer public funds pursuant to its statutory authority to enter into contracts and manage the business operations of the District; and

WHEREAS, the NCRTD is being provided product and/or services, by a variety of vendors who can elect to receive payments from the NCRTD electronically; and

WHEREAS, the NCRTD Board authorizes the use of Automated Clearing House (ACH) direct deposit information provided by NCRTD Vendors.

NOW, THEREFORE, BE IT RESOLVED by the NCRTD Board of Directors that an Automated Clearing house (ACH) procedures for vendor direct deposit is established, and that the NCRTD Finance Director is authorized to implement and develop procedures to insure appropriate accounting and maximum accountability in accordance with GASB and Internal Controls in relation thereof.

PASSED, APPROVED AND ADOPTED BY THE GOVERNING BODY OF THE NORTH CENTRAL REGIONAL TRANSIT DISTRICT ON THIS 8TH, DAY OF NOVEMBER, 2013.

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Daniel Barrone, Chair

Approved as to form:

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Peter Dwyer, Counsel

Agenda Report
NCRTD Board of Directors Meeting
Meeting Date: November 8, 2013
Agenda Item - C

Title: Resolution No. 2013-28 Authorizing a Budget Amendment for Fiscal Year (FY) 2014 so as to incorporate the Transportation Alternatives Program (TAP) Federal Funding Award

Prepared By: Glenda Aragon, Finance Director and Stacey McGuire, Projects and Grants Specialist

Summary: This Resolution is required in order to amend the FY14 budget and incorporate the recently awarded Federal TAP funding. The Federal TAP funding was preliminarily awarded at the NPRPO meeting on September 25th, 2013, with NMDOT anticipated to approve the official award amount late October/early November 2013. The Board of Directors approved Resolution No. 2013- 25 authorizing Staff to submit an application for this funding at the October 4, 2013 meeting. The NCRTD applied for TAP funding to develop an ADA (Americans with Disabilities Act) Transition Plan in relation to bus stops and shelters and to subsequently design, plan and construct the modifications recommended within the plan. The Finance Subcommittee reviewed this budget amendment at their October 25, 2013 meeting and have recommended Board approval.

Background:
The purpose of this project is to bring existing bus stops and shelters into ADA compliance through the creation, utilization, and implementation of an ADA Transition Plan. This plan would identify and prioritize bus stops and/or shelters that are currently not ADA compliant. Currently, in the four county service area of Rio Arriba, Los Alamos, Santa Fe, and Taos, the NCRTD has 32 rural and urban area bus stops with shelters that are not compliant with ADA regulations, and multiple additional rural bus stops that need modification to be brought up to ADA standards. In Phase I (FFY14), an ADA Transition Plan will be created and used to formally identify ADA noncompliant bus stops and shelters and determine and design the necessary modification to bring the bus stop into ADA compliance. In Phase II of the project, the ADA Transition Plan

and shelters into compliance through modifications to existing shelters, concrete pads, and sidewalks (connecting the bus stop to the sidewalk or roadway) to allow for barrier-free access to all riders of public transportation. Estimated modification costs per bus stop are anticipated to be in the range of $4000-$8000.

Recommended Action: Approval of Resolution No. 2013-28 Authorizing a Budget Amendment to the FY14 budget to include recently awarded Federal TAP funding.

Options/Alternatives:

1. Take no action; or
2. Endorse the Budget amendment recommendations as presented (recommended).

Fiscal Impact: The fiscal impact would be the loss of potential Federal TAP funding for FFY14 (and FFY15) for the planning, design and implementation of an ADA Transition Plan. As a result, the District would eventual need to expend regional transit Gross Receipts Taxes for this effort in FY15. (This is a cost reimbursement program and requires a 14.56% local match.) (Estimated modification costs are anticipated to be in the range of $4000-$8000 per bus stop.)

The NCRTD received the following funds:
The initial award was for $184,266. However, the final award totals $215,736, allocated as follows:

Activity	FY14 TAP Award	FY15 TAP Award	Local Match	Total
Planning, Preliminary Engineering/Design	$74,760	N/A	$12,740	$87,500
Construction	N/A	$140,976	$24,024	$165,000
Total Project Funding	$74,760	$140,976	$36,764	$252,500

Attachment:

Resolution 2013-28 Fiscal Year 2014 Budget Amendment- TAP Funding Award

North Central Regional Transit District (NCRTD)

Resolution 2013 - 28

Fiscal Year 2014 Budget Amendment- Transportation Alternatives Program (TAP) Funding Award

WHEREAS, the Governing body in and for the NCRTD has developed a budget for fiscal year 2014; and

WHEREAS, the NCRTD applied for and was awarded Federal Transportation Alternatives Program (TAP) funding to plan, design and construct an ADA Transition Plan to bring all of NCRTD shelters and bus stops into ADA compliance; and

WHEREAS, the request to modify the Fiscal 2014 Budget in the amount of $252,500 will allow the NCRTD to utilize TAP funds in Federal FY14, which is inclusive of District match funds; and

WHEREAS, it has been determined that certain adjustments as identified above need to be made to the previously approved FY14 budget; and

WHEREAS, the Board of Directors of the NCRTD, State of New Mexico, hereby adopts the budget amendment described herein and the amended FY 2014 budget.

NOW THEREFORE BE IT RESOLVED THAT THE ATTACHED AMENDED BUDGET WAS PASSED, APPROVED AND ADOPTED THIS 8TH DAY OF NOVEMBER 2013.

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Dan Barrone, Chairman

Approved as to form:

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Peter Dwyer, Counsel

Agenda Report
NCRTD Board of Directors Meeting
Meeting Date: November 8, 2013
Agenda Item - D

Title: Discussion and Consideration of Resolution No. 2013-29, a Resolution Amending the March 1, 2013 Adopted Financial Policies

Prepared By: Anthony J. Mortillaro, Executive Director

Summary: The proposed resolution provides for the amendment of the existing financial policies by modifying Section 3, Reserve Policy and other minor cleanup to some sections of the policies.

Background: On July 15, 2011, November 4, 2011 and March 1, 2013 the Board adopted financial policies that amended those that had been adopted in October 2009. On October 25, 2013 the Finance Subcommittee met and discussed the existing reserve policy in light of the progress that has been made in achieving a substantial balance in the undesignated reserve fund. As a result the Finance Subcommittee is recommending that the Board consider amendments to the Reserve Policy that would establish the following designated and undesignated reserve funds:

A. Reserve for Operations (budget stabilization): It is the goal of the Board of Directors to annually direct 15% of the unrestricted reserves into this fund to meet unexpected decreases of more than 5% in the levels of total revenues and subsidies, as well an unexpected increases of more than 5% in total operating costs such as unanticipated and unbudgeted increases in fuel costs or other operating materials that cannot be rebalanced within existing budgeted resources in any given year in order to protect against reducing service levels when these fluctuations occur. This reserve will be maintained at a maximum of twenty percent (25%) of the annual operating revenues.
B. Reserve for Capital and Capital Replacement: It is the goal of the Board of Directors to annually direct 5% of the unrestricted reserves into this fund. In addition revenues from the

purchases for fleet replacement, new fleet and replacement or acquisition of fixed assets. This reserve will be maintained at a maximum of fifteen percent (15%) of the annual operating revenues.

C. Reserve for Service Enhancements: This fund will be developed to build up fiscal resources in anticipation of future service enhancements. The intent is to build up a reserve of operating funds before potential service enhancements would be enacted in order to smooth the impact on the operating budget of a higher level of service and operating costs. When the Board has authorized existing service enhancements or new service enhancements then the Resolution approving such may also include the authorization to use this reserve fund for that purpose as required by section "E" below. The targeted balance of this reserve fund should be sufficient to cover operating expense of the proposed service enhancement for a three-year period.

D. Reserve for Debt Service: When the District issues debt this reserve will be funded through bond proceeds equal to the highest year debt service obligation of the District. These funds are held by the trustee for payment of related debt service.

Attached for the Board's review is the revised District's Financial Policies. The document is being presented in legislative form so that the Board can easily discern the modified sections.

Recommended Action: Adopt Resolution No. 2013-29 amending the Adopted Financial Policies.

Options/Alternatives:

1. Take no action; or
2. Adopt the recommendation, (recommended); or
3. Not adopt the resolution and provide direction to staff and the Finance Subcommittee to review the Boards discussion and return with an amended Reserve Policy.

Fiscal Impact: None.

Attachments:

- Resolution No. 2013-29
- Amended Financial Policies
- Updated Long Range Financial Plan – Moderate Scenario
- Cash Reserve Summary Chart

North Central Regional Transit District (NCRTD)

Resolution 2013 - 29

A Resolution Amending the March 1, 2013 Adopted Financial Policies

WHEREAS, the Board of Directors is the statutory governing body in and for the NCRTD and finds it in the best interest of the constituents of the NCRTD to establish polices to ensure the financial stability of the District; and

WHEREAS, the current NCRTD Financial Policies were adopted on October 9, 2009 and amended on July 15, 2011, November 4, 2011 and March 1, 2013; and

WHEREAS, the Finance Subcommittee at their October 25, 2013 meeting reviewed draft changes to the District's Reserve Policy and have recommended consideration of those changes to the Board of Directors; and

WHEREAS, the Board, after thorough consideration and upon recommendation of the Finance Subcommittee and the NCRTD Staff, find that it is prudent to amend the District's Reserve Policy and adopt other minor modifications in the amended Financial Policies attached hereto.

NOW THEREFORE BE IT RESOLVED BY THE NCRTD BOARD THAT THE ATTACHED FINANCIAL POLICIES SHALL BE AND ARE HEREBY ADOPTED, AMENDING THE CURRENT NCRTD FINANCIAL POLICIES, AND ARE APPROVED AND ADOPTED THIS 8TH DAY OF NOVEMBER 2013.

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Daniel Barrone, Chair

Approved as to form:

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Peter Dwyer, Counsel

NORTH CENTRAL REGIONAL TRANSIT DISTRICT	
SUBJECT: Financial Policies	**NUMBER: Fin - 01**
EFFECTIVE DATE: ~~March 1, 2013~~November 8, 2013	**Adopted and amended by Board Resolution No.2011-10 on November 4, 201~~,1 and~~ 2013-04 on March 1, 2013 and 2013-?? on November 8, 2013. ~~.~~**
AMENDS/SUPERSEDES: **Policies adopted by Board on July 14, 2011~~, and~~ November 4, 2011 and March 1, 2013**	**APPROVED:** **ANTHONY J. MORTILLARO, EXECUTIVE DIRECTOR**

Purpose

The Financial Policies described herein are designed to provide a comprehensive framework for the management of financial resources for the North Central Regional Transit District (NCRTD). They provide guidelines for decision making by the NCRTD Board and management on how financial resources shall be utilized to fulfill the mission of the transit system, meet obligations and protect the public interest.

Objectives:

- Cost effective allocation and use of NCRTD financial resources in achieving the Districts mission.
- Compliance with applicable Federal and State laws, regulations and guidelines governing transit funding.
- Use of sound business and accounting practices in managing NCRTD financial affairs.
- Consistent financial practices, operational efficiencies and best practices.

1. Budgetary Policies

The adopted budget represents the ongoing commitment of the management and staff to operate and maintain the NCRTD in a fiscally sound manner according to the guidelines, policies and direction set forth herein. The Budget spans a fiscal year (beginning July 1 and ending June 30) and contains operating and non-operating revenues and expenses, grants, capital expenditures and reserves for the District. The budget is an appropriation document that gives the District the authority to spend funds for operating expenses, other expenditures such as contracts and capital and reserves.

Each year, the District staff will develop a budget plan that will lead to the Board's review and adoption of the subsequent year's budget. The timing of this process will be consistent with the established strategy and priorities at the District and with statutory requirements.

The District will also prepare a ten-year Long Term Financial plan for the purpose of identifying future financial challenges. It will be updated annually concurrent with the development of the annual budget.

A budget calendar for the fiscal year is to be established to make clear deliverables and deadlines.

Each year the District will establish a budget by:

- Providing a comprehensive review of the Districts sources and uses of funds for operating and capital expenditures.
- Tailoring the budget process into an effective management tool for setting financial priorities and meeting strategic objectives.
- Ensuring that the budget manages financial resources in a manner that:
    - Is prudent and sustainable
    - Meets financial requirements of medium and long-term capital needs
- Producing budget information that is:
    - Clear, comprehensible and transparent to employees and constituencies
    - Accurate, timely, and easy to access
- Monitoring and analyzing revenues and expenditures throughout the fiscal year for compliance and accountability.
- A quarterly cash and investment report and monthly one-year cash flow forecast report will be prepared.
- Current appropriations for all funds are limited to the sum available, unrestricted cash balances and revenues estimated to be received in the current budget year.
- All District divisions will operate within the adopted budget. From time to time, the District will consider spending requests for new or expanded programs during the course of the fiscal year and, to the extent possible, such increases to current operations will be funded by reoccurring current revenues unless the request is for a one time activity that does not require an ongoing funding allocation. On

occasion, there may be a need for Board action to draw funds from the Districts un-appropriated balance in order to meet unforeseen financial requirements.

- Capital assets owned by the District shall be maintained on a regular schedule. The District will recognize the impact of wear and tear of existing capital assets in the operating budget. Maintenance costs will be indentified and incorporated into the annual operating budget as necessary. These costs include items such as renovations, maintenance and service contracts.
- District funds will be reconciled at the close of the fiscal year to determine the available cash balance at year end.
- Reports to the Board shall include Fiscal Impact discussions as to how they may affect the budget plus the estimated cost and benefit of the program or service in the current and future years.

Budgetary Control:

Budget control is maintained at the departmental/divisional level. The Executive Director has the authority to approve appropriation transfers between programs, divisions or departments. In no case may total expenditures adopted for the fiscal year exceed that which is appropriated by the District Board without budget amendment.

2. Operating Program:

The District utilizes a general operating fund, which will be used to account for all financial transactions required for the current operation of the public transportation system. The two primary components of this fund are:

A. Operating Income (Income Sources)

- Operating income includes revenues derived from the Regional Transit Gross Receipts Transit tax (RT GRT), operating and capital assistance (federal and state funds), passenger fares, contractual reimbursements or contributions, interest income, and other miscellaneous sources of revenue.
    - For all federal transit grants awarded from New Mexico Department of Transportation (NMDOT), adherence to financial rules, regulations, and reporting will be complied with by NCRTD as per the New Mexico State Management Plan for the Administration of Federal Transit Grants, the annual Federal Transit Administration (FTA) Certifications and Assurances, and any subgrantee federal funding contract/memorandum of agreement with NMDOT.

- The District will continuously seek new revenues and will, to the extent consistent with its public transit objectives, pursue a diverse revenue base in an effort to

maintain a stable revenue stream. Seeking revenue diversity will help shelter the District from short-term fluctuations in any one revenue source.

- Revenues from the RT GRT are tracked in a line item dedicated to that purpose. According to the ballot initiative that created the RT GRT, the funds are to be used to expand regional public transit in the four-county area. The ~~District interprets~~District interprets this to mean that RT GRT funds should be used to implement approved service plans per Board adopted resolutions. Approved service plans may include, but are not limited to, establishing entirely new regional routes; increasing the frequency of service on existing routes; purchasing more and larger vehicles so more riders may avail themselves of public transit; acquiring fixed capital assets and technology to solely be utilized on those approved regional routes, converting pilot projects to regular services; and coordinating with other service providers, such as Santa Fe Trails, Taos Chili Line, Atomic City Transit, the Rail Runner, and Park & Ride to improve services and strive to provide a seamless transit experience to those in the District's service area.

  The following definition has been adopted by the Board and will be utilized to ascertain whether a proposed regional route is eligible to be funded by RT GRT:

  1. It connects to a service that leaves the district such as the Rail Runner or Park & Ride; or
  2. It crosses a jurisdictional line between Members;
  3. It connects two or more Members;
  4. It is solely within a single Member's local area but directly connects both in time and location with a service or route that makes possible travel outside the local area to another Member's area;
  5. It connects two distinct and separate communities within one Member's area such as Questa and Red River in Taos County or Los Alamos and White Rock in Los Alamos County;
  6. The Board of Directors will annually review all service plans within the region in order to determine regional routes by the qualification stated above. The board will have the ability to add or eliminate routes based on criteria for efficiency within the District.

The following funding allocation method will be used to determine the amount of RT GRT that will be allocated toward Board approved services on an annual basis, as provided below.

Entity	Percentage of Total Fiscal Year Projected NCRTD Transit GRT Revenue
City of Santa Fe	14%

Los Alamos County	20%
Rail Runner	26%
NCRTD (Santa Fe County, Rio Arriba County, and Taos County)	40%

In the event that RT GRT revenue(s) do not materialize as projected in the adopted fiscal year budget, it is the Board's stated desire that funding for services will be retained to the extent feasible. In order to achieve this priority the Board will consider the adjustment of the percentage allocations described in the above allocation methodology excluding the Rail Runner whose funding is prescribed through an Intergovernmental Agreement dated February 2009. The modification in the revenue percentage allocations will be proportionate to the reduction in the RT GRT revenue.

It is also the Board's priority that as a last resort, transit services provided solely and directly by the NCRTD should not be reduced. In the event that such a reduction is likely, the Executive Director may recommend to the Board for its consideration the use of operating reserves to the extent necessary and without violating the Reserve Policy requirements herein.

RT GRT revenue that is deemed to be reoccurring revenue and not allocated for regional routes is placed in the operating reserve balance and reserve for service enhancements and as such maybe be available for allocation in the following year for expanded service of regional routes as recommended by the Executive Director and adopted by the Board on the bases of the methodology for the allocation of RT GRT as described above. Prior to commitment of any remaining RT GRT reserve operating balance in the ensuing fiscal year to expanded regional service routes, these routes must be included in the requesting entities annual service plan and adopted by the NCRTD Board as well. In no event will these funds be allocated for new or expanded service regional routes if it will result in the diminishment of the reserve operating balance requirements as described within these policies or if it will impact the Districts ability to meet its capital equipment and infrastructure requirements.

The District is responsible for seeing that RT GRT funds are spent appropriately. For those entities operating their own transit services an invoice shall be submitted quarterly to the District requesting reimbursement of funds spent in accordance with RT GRT funded service plans and adopted cost allocation methodology. Invoices shall contain sufficient line-item detail to support the appropriateness of the expenditure and concurrence with the intended use of the funds. Upon receipt and review of the invoice, the District will reimburse the entity, provided sufficient RT GRT funds have been received.

B. In reference to Tribal Transit Funds if awarded by the Federal Transit Administration (FTA) to a Tribal Entity, the Tribal Entity maintains the authority to 1) utilize all Tribal

Transit Funds received for Tribal Transit / Transportation Initiatives; 2) allocate through an agreement a portion of Tribal Transit Funds to the NCRTD; 3) allocate through an agreement all Tribal Transit Funds received to the NCRTD.

1) Tribe utilizes all FTA Tribal Transit Funds for Tribal Transit / Transportation Initiatives.
    a. No Agreement with the NCRTD.

2) Tribe allocates through an agreement a portion of FTA Tribal Transit Funds to the NCRTD. The process for managing these funds includes the following steps:
    a. Tribe determines a need for additional services requiring a portion of Tribal Transit funds be allocated through an agreement to the NCRTD to provide contracted transit services.
    b. The NCRTD will assess the additional services requested by the Tribe and provide the Tribe with a Scope of Work, Budget & Budget Narrative.
    c. The Tribe will review and make any necessary changes to documents and return to NCRTD for review and re-submittal.
    d. Upon agreement of transit services to be contracted to the NCRTD, the Tribe and NCRTD will sign a Professional Services Contract detailing agreement between Tribe as the recipient of FTA Tribal Transit Funds and the NCRTD as the sub contractor to include: Scope of Work, Budget, and Budget Narrative.
    e. Contract, Scope of Work, Budget and other Program Information will be entered into the Federal Transit Authority's (FTA) TEAM web system by the Tribe or authorized NCRTD personnel if stated in agreement.
    f. Reports: Quarterly Financial, Monthly Progress, Monthly Ridership Reports are submitted to the FTA / FederalReporting.gov / TEAM web portal and will be completed by Tribe or authorized NCRTD personnel. Copies of all reports will be sent to Tribe for record keeping if the NCRTD personnel perform the reporting requirements.
    g. Any changes or modifications to the Scope of Work, Budget, and Budget Narrative must be approved and documented by the Tribe prior to NCRTD changing services or requesting reimbursement or payment for services provided under agreement.
    h. The NCRTD will advances funds to cover operating costs of contracted transit services.
    i. NCRTD will submit a detailed "Invoice" of work, services performed and provided to the Tribe per Scope of Work and Agreement for approval and processing.
    j. Tribe will approve "Invoice" of work and services performed and provided by the NCRTD and request a drawdown from the FTA.
    k. Upon receipt of funds from the FTA, the Tribe within 7 days will process payment to the NCRTD.

l. The Tribe and the NCRTD will meet periodically to evaluate the effectiveness of the services being provided, available budget, and discuss any necessary changes.

3) Tribe allocates through an agreement all FTA Tribal Transit Funds received to the NCRTD for the provision of contract transit services. The process for managing these funds includes the following steps:
    a. Tribe determines a need to allocate through an agreement all FTA Tribal Transit funds to the NCRTD for the provision of FTA funded contractual transit services to be continued.
    b. The NCRTD and the Tribe will assess current FTA funded services being provided to the Tribe and provide the Tribe with a Scope of Work, Budget and Budget Narrative of the FTA funded current services and how these funds will be utilized to continue transit services.
    c. The Tribe will review and make any necessary changes to documents and return them to the NCRTD for review and re-submittal.
    d. Upon agreement of transit services to be contracted to the NCRTD, the Tribe and NCRTD will sign a Professional Services Contract detailing agreement between Tribe as the recipient of FTA Tribal Transit Funds and the NCRTD as the sub contractor to include: Scope of Work, Budget, and Budget Narrative.
    e. Contract, Scope of Work, Budget and other Program Information will be entered into the Federal Transit Administration's (FTA) TEAM web system by the Tribe or authorized NCRTD personnel if stated in agreement.
    f. Reports: Quarterly Financial, Monthly Progress, Monthly Ridership Reports are submitted to the FTA / FederalReporting.gov / TEAM web portal and will be completed by Tribe or authorized NCRTD personnel. Copies of all reports will be sent to Tribe for record keeping if the NCRTD personnel perform the reporting requirements.
    g. Any changes or modifications to the Scope of Work, Budget, and Budget Narrative must be approved and documented by the Tribe prior to the NCRTD changing services or requesting reimbursement or payment for services provided under agreement.
    h. The NCRTD will advances funds to cover operating costs of contracted transit services.
    i. NCRTD will submit a detailed "Invoice" of work, services performed and provided to the Tribe per Scope of Work and Agreement for approval and processing.
    j. Tribe will approve "Invoice" of work and services performed and provided by the NCRTD and request a drawdown from the FTA.
    k. Upon receipt of funds from the FTA, the Tribe within 7 days will process payment to the NCRTD.

l. The Tribe and the NCRTD will meet periodically to evaluate the effectiveness of the services being provided, available budget, and discuss any necessary changes.

Application Process:

1) When requested by Tribe, the NCRTD will assist with the Grant Application to include a set percentage (5%) for Administrative costs. If the Grant is awarded the Tribal Transit Funds Policy will be utilized to manage these funds.

2) The NCRTD, if requested and there is a signed agreement by all the Tribe's, will submit a Joint Application on behalf of the Tribe's in agreement. Prior to submittal of Joint Application, the Tribes will review and approve the Application, Scope of Work, Budget, and Budget Narrative being submitted on their behalf. If the Grant is awarded the Tribal Transit Funds Policy will be utilized to manage these funds.

3) The Tribe's on their own behalf may apply for Tribal Transit Funds. If the Grant is awarded the Tribal Transit Funds Policy will be utilized to manage these funds.

C. Operating Expenses

Operating expenses are defined as the day-to-day costs incurred for public transit delivery, administrative overhead, and other common and normal expenses.

D. Operating Balance (difference between operating income and operating expenses)

The operating balance is utilized to fund the capital program and reserve requirements.

E. Administrative Overhead Costs

Direct and Indirect costs that are incurred for common or joint purposes in support of transit service or capital programs. Costs are allocated to programs based on allocation methods which comply with Federal and State guidelines.

3. Reserve Policy

This Financial Reserve Policy contains ~~polices~~ practices that govern the management of the District's financial reserves in order to:

- Maintain access to capital markets and other sources of capital funding at the most efficient cost of funds for the District;

- Manage financial risks prudently by maintaining required and additional financial reserves to meet the Districts financial needs;
- Meet New Mexico State Department of Finance and Administration (DFA) requirements for minimum reserve balance requirements and any Board requirements;
- Provide the District with the ability to withstand national, regional and local major economic disruptions, unanticipated expenditure demands and meet the need for other non-recurring expenses except for as provided within the reserve policies.
- Meet or exceed all debt coverage requirements, if any; and
- Establish prudent levels of liquidity.

The District will maintain at all times one month of operating revenue as a cash reserve to ~~–~~meet ~~its~~ DFA requirements.

The District will seek to maintain at all times an amount equaling 25% of its operating revenue as ~~a~~an unrestricted cash reserve which is inclusive of the DFA requirement distributed as follows:~~.~~

A. Reserve for Operations (budget stabilization): It is the goal of the Board of Directors to annually direct 15% of the unrestricted reserves into this fund to meet unexpected decreases of more than 5% in the levels of total revenues and subsidies, as well an unexpected increases of more than 5% in total operating costs such as unanticipated and unbudgeted increases in fuel costs or other operating materials that cannot be rebalanced within existing budgeted resources in any given year in order to protect against reducing service levels when these fluctuations occur. This reserve will be maintained at a maximum of twenty percent (25%) of the annual operating revenues.
B. Reserve for Capital and Capital Replacement: It is the goal of the Board of Directors to annually direct 5% of the unrestricted reserves into this fund. In addition revenues from the sale of surplus property or fixed assets will be directed towards this reserve fund. This reserve fund will provide the District with funds to meet matching requirements or non-matched purchases for fleet replacement, new fleet and replacement or acquisition of fixed assets. This reserve will be maintained at a maximum of ~~ten~~fifteen percent (1~~0~~5%) of the annual operating revenues.
C. Reserve for Service Enhancements: This fund will be developed to build up fiscal resources in anticipation of future service enhancements. The intent is to build up a reserve of operating funds before potential service enhancements would be enacted in order to smooth the impact on the operating budget of a higher level of service and operating costs. When the Board has authorized existing service enhancements or new service enhancements then the Resolution approving such may also include the authorization to use this reserve fund for that purpose as

required by section "E" below. The targeted balance of this reserve fund should be sufficient to cover operating expense of the proposed service enhancement for a three-year period.

D. Reserve for Debt Service: When the District issues debt this reserve will be funded through bond proceeds equal to the highest year debt service obligation of the District. These funds are held by the trustee for payment of related debt service.

E. Approval for Use of Reserve Fund: Each proposed use of the reserve fund will be subject to Board approval. For each use of the aforementioned reserve funds, the Board will approve a resolution which will describe the need to use the reserve fund, and the uses for which reserve funds will be expended. By Resolution of the Board the Board upon recommendation of the Executive Director may consider the modification of the allocations herein in order to avoid any service reductions.

4. Capital Program

The NCRTD Capital Investment Plan (CIP) shall describe capital expenditures to be incurred to meet capital needs arising from long-term plans, asset maintenance or other capital needs. It sets forth each project in which the NCRTD will be involved and specifies the resources estimated to be available or required to finance the projected expenditures. The Executive Director shall submit to the NCRTD Board a proposed Capital Investment Plan prior to or in conjunction with the annual proposed budget. The Board shall approve the CIP no later than June 1 of each year. In the event that this date falls on a weekend, the preceding Friday shall prevail.

A. The Executive Director reviews all District capital projects to be recommended for inclusion in the CIP subject to the oversight and approval of the Board. In this capacity the Executive Director or a designee will:

   a. Affirm the linkage between proposed Capital Projects and the Districts strategic goals and objectives;
   b. Asses the linkage between the capital and operating budgets to ensure appropriate allocation of resources;
   c. Reaffirm the validity of a proposed CIP for annual approval by the District Board;
   d. Provide discipline and enforcement to the approved CIP;
   e. Monitor the progress of Capital Projects. Major changes in project scope or direction shall be presented to the Board for approval;
   f. Review the qualitative and quantitative (including financial analysis) evaluation of Capital Projects to determine the priority of projects;
   g. Review, assess and approve or deny the placement of proposed Capital Projects on the CIP;
   h. Review CIP policies and procedures periodically and implementing changes as necessary;

i. Provide a mechanism for financial and resource planning for the District;
j. Authorize total project cost and fiscal year cost allocation changes.

B. The CIP is a planning document only. Any appropriations for specific project must be approved by the Board during the annual budget process.

C. The Districts CIP either creates a new asset or significantly extends the life of an existing asset.

D. Large Capital equipment purchases may be included in the CIP.

E. The Districts Capital Program will be used to account for the planning/design, acquisition, construction and reconstruction/rehabilitation of major capital facilities and equipment. It may include Federal and State grants as well as local funds to be used for capital acquisition and construction with and without benefit of grant funding including transfers from the Annual Operating Reserve Balance, project-related reimbursements, debt financing or other sources of capital funding.

F. Capital Expenditures are defined as expenditures incurred to meet capital needs arising from the District CIP, asset capital maintenance or other capital needs.

G. Capital Expenditure

a) Items/acquisitions that have a useful life in excess of one year and an acquisition cost of greater than or equal to $5,000.

b) Direct and eligible indirect costs, which are related and add value to a capital project, shall also be defined as capital expenditures.

H. Capital Performance Policy Objectives

a. The NCRTD will seek to obtain maximum Federal and State financing by pursing all appropriate funding available for public transportation systems.

b. A portion of the annual CIP will be allocated to the proper maintenance of the Districts capital assets including regular replacement of the fleet and equipment and the rehabilitation or replacement of facilities.

I. Capital Investment Plan Funding

Funding of the CIP will endeavor to fund capital needs from a combination of sources including:

- Pay-as-you–Go (cash funded, PAYGO)

- Grants from Federal/State/Other Sources
- Debt Financing and special loans

The CIP funding strategy will emphasize the use of PAYGO as a means to meet transit funding requirements with debt used as a secondary source. The level of PAYGO funding will be dependent on a number of factors including availability of funds from the RT GRT and other sources, the appropriate levels of retained fund balances, economic and other factors.

5. Debt Policy

The purpose of the Debt Policy is to establish guidelines for the issuance and management of the Districts debt. The District has the ability to issue debt under its statutory authority. This Debt Policy confirms the commitment of the Board, management, staff, advisors and other decision makers to adhere to sound financial management practices, including full and timely repayment of all borrowings, and achieving an appropriate level of capital within prudent risk parameters. The following objectives of the Debt Policy include the following:

- Obtain and maintain a high credit rating;
- Provide for an efficient overall cost of borrowing for the District;
- Provide specific guidelines with respect to the overall management of debt if incurred;
- Set forth a process for selecting various consultants who will assist the District in the issuance and management of the Districts debt;
- Support for the District's strategic plan objectives;

This Debt Policy shall govern the issuance and management of all debt and lease financings (excludes small item leasing such as copiers, etc…) funded from the capital markets, and shall include all obligations including investment of bond proceeds.

While adherence to this Debt Policy is required in applicable circumstances, the District recognized that changes in capital markets and unforeseen circumstances may produce situations that are not covered by the Debt Policy or require modifications or exceptions to achieve Debt Policy goals. In these cases, specific authorization from the Board is necessary to provide management appropriate flexibility. However, long term debt will be used on an as needed basis to fund the Districts capital investment needs.

The Debt Policy requires that each debt be specifically authorized by the District Board.

Debt Financing:

i. Principal maturity for debt will be linked to asset life and will not exceed thirty (30) years.
ii. Variable rate or other short term maturing debt maybe issued for capital purposes in anticipation of receipt of approved Federal and/or State grants, with the goal of repaying a portion or all of the debt issued upon receipt of funds.
iii. Issuance of debt must be linked to:
    1. Adequate encumbrance capacity to let contracts for the entire capital program in the most effective sequence.
    2. Cash flow requirements.
    3. Fund balance to guard against anticipated/unanticipated risks
iv. RT GRT will be used for the payment of annual debt service costs.
v. Debt will not be used for annual operating costs.

Lease Financing:

Lease obligations are a routine and appropriate means of financing capital equipment. These types of obligations maybe considered for equipment and assets that are not financed as a cost item under normal operating expenditures. The useful life of the equipment, the terms and conditions of the lease, and the direct impact on debt capacity and budget flexibility will be evaluated prior to the implementation of a lease program. Efforts will be made to fund capital equipment with a pay-as-you-go financing where feasible. Cash flow sufficiency, capital program requirements, lease program structures and cast and market factors will be considered in conjunction with a pay-as-you-go strategy in lieu of financing. Short-term equipment leases that do not access the capital markets are not covered by this policy.

Debt Service Coverage Ratios:

Debt Service coverage ratios establish a guideline for levels of annual operating costs relative to current and future debt service costs. This performance objective for Net debt service coverage is that the Operating Balance shall be greater than 1.25 times the annual debt service cost; however, the actual terms and conditions specific to each bond issue are controlled by the bond documents.

The net debt service coverage ratio is calculated as follows:

i. Operating income less operating expense equals the operating balance
ii. Operating balance divided by the annual debt service costs equals net debt service coverage ratio

The performance objective for Gross debt service coverage ratio (i.e. annual regional transit gross receipts tax/annual cumulative debt service cost) shall be maintained at a minimum of 3.0 times.

The maintenance of a debt service coverage ratio together with other performance measures provides multiple measures for the financial soundness of the NCRTD.

Refunding Bonds:

A present value analysis must be prepared that identifies the economic effects of any refunding to be proposed to the Board. It is acknowledged that some refunding may be executed for other than economic purposes, such as to restructure debt, change the type of debt instruments being used, or to retire a bond issue and indenture in order to achieve more desirable covenants. Approval by the Board is required for any refunding.

Method of Bond Sale:

The District will generally utilize a competitive sale process when complex bond structuring and marketing requirements are not an issue and the perceived pricing differential between competitive and negotiated sale is negligible. There are three potential methods of sale: competitive, negotiated, and private placement. Each type of bond sale has the potential to provide the lowest cost given the right conditions. The conditions under which each type of bond sale is best used are provided below. All or some of the conditions discussed will affect the method of sale.

A. Competitive Sale

1. Bond prices are stable and/or demand is strong.
2. Issuer has a strong credit rating.
3. Issuer is well known to investors.
4. There are no complex explanations required during marketing, regarding: issuer's projects, media coverage, political structure, political support, funding, or credit quality.
5. The bond type and structural features are conventional.
6. Bond insurance is included or pre-qualified (available).
7. Manageable transaction size.
8. Market timing and interest rate sensitivity are not critical to the pricing.

B. Negotiated Sale

1. Bond prices are volatile and/or demand is weak or supply of competing bonds is high.

2. Market timing is important, such as for refunding.
3. Coordination of multiple components of the financing is required.
4. Issuer has lower or weakening credit rating.
5. Issuer is not well known to investors.
6. Sale and marketing of the bonds will require complex explanations about the issuer's projects, media coverage, political structure, political support, funding, or credit quality.
7. The bond type and/or structural features are non-standard, such as for a forward bond sale, issuance of variable rate bonds or where there is use of derivative products.
8. Bond insurance is not available or not offered.
9. Early structuring and market participation by underwriters desired.
10. Pre-qualified underwriter's pool.
11. Large transaction size.
12. Expected high retail demand.

C. Private Placement

A Private Placement is a sale that is structured specifically for one purchaser such as a bank. The District reserves the right to privately place its securities if the need arises. Furthermore, any member of the active underwriting pool who presents the District with a cost savings financing plan, will be awarded to manage the financing/restructuring transaction.

Bond Consultants:

The District will select its financial advisors and its bond counsel by competitive process through a Request for Proposals (RFP). The District's contracting policies, which are in effect at the time, will apply to all contracts with finance professionals. Selection may be based on a best value approach for professional services or the lowest responsive cost effective bid based upon pre-determined criteria.

All financial advisors, bond counsel and underwriters will be selected through a Request for Proposals (RFP) or Request for Qualifications (RFQ) process, whichever is most appropriate given the circumstances. In isolated instances, such contracts may be awarded on a sole source basis if it is clear that a RFP/RFQ process would not be feasible or in the District's interests.

Financial Advisors:

The District may retain one or more financial advisory firms to provide general advice on the District's debt management program, financial condition, budget options, arbitrage rebate review, and rating agency relations. Additionally, a

financial advisor may assist with the structuring of the District's Revenue Bond issuances and may be used on an as-needed basis to provide financial advisory services that do not fall into the other categories of District debt obligations.

Financing Teams:

Financial advisors, bond counsel, and underwriters, where applicable, will be selected through a competitive process. Depending on particular expertise and consultant availability, some firms may be used on more than one program. However, efforts will be made to establish different teams to provide a number of firms the opportunity to participate in District contracts.

Bond Counsel:

The District debt will include a written opinion by legal counsel affirming that the District is authorized to issue the proposed debt, that the District has met all constitutional and statutory requirements necessary for issuance, and a determination of the proposed debt's federal and state income tax status. An appropriately experienced bond counsel firm (or firms) will prepare this approving opinion and other documents relating to the issuance of debt with extensive experience in public finance.

Disclosure Counsel:

The District will hire Disclosure Counsel(s) to prepare official statements in the event of any debt restructuring/refinancing or new bond issue. Disclosure Counsel(s) will be responsible for ensuring that the official statement complies with all applicable rules, regulations and guidelines. Disclosure Counsel(s) will be a well recognized firm(s) with extensive experience in public finance.

Disclosure by Financing Team Members:

The District expects that all of its financial advisory team will at all times provide the District with objective advice and analysis, maintain the confidentiality of the financial plans if required, and be free from any conflicts of interest. All financing team members will be required to provide full and complete disclosure, under penalty of perjury, relative to any and all agreements with other financing team members and outside parties that could compromise any firm's ability to provide independent advice that is solely in the best interests of the District or that could be perceived as a conflict of interest. The extent of disclosure may vary depending on the nature of the transaction.

Note: The aforementioned financial performance measures are established as policy objectives for the District management to strive to achieve in managing the

affairs of the District and may be temporarily suspended, modified or amended upon management review and Board approval.

6. Investment Policy

It is the policy of the NCRTD to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state statutes governing the investment of public funds.

Delegation of Authority

Responsibility for the management of the District's investment portfolio is delegated to the Districts Finance Manager by the Executive Director. The District's Finance Manager will establish and maintain written procedures for the operation of the cash management and investment program consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Manager.

Prudent Person Rule

Investments on behalf of the District will be made in accordance with the "prudent person" rule; i.e. investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Scope of Policy

Unless otherwise noted, this investment policy will apply in its entirety to all monies of the District over which it has direct control as well as those funds that the District is responsible for as custodian and/or trustee.

Investment Objectives

The District seeks to balance three primary objectives for its cash portfolio:

- Maintaining sufficient liquidity to meet financial obligations;
- Earning a market rate of return (subject to permitted investment constraints); and
- Diversifying investments among asset classes to ensure safety of principal.

The liquidity goal is achieved by matching investment maturities with the expected timing of obligations. Attainment of a market return is measured by benchmarking the portfolio against a relevant market index. Diversification (safety) is accomplished through implementation of a strategic asset allocation, derived from modern portfolio theory concepts.

Performance Standards

The Districts' objective is to obtain a market average rate of return throughout budgetary and economic cycles that corresponds with invest risk constraints and cash flow needs.

The Districts investment strategy is passive. Given this strategy, the Finance Manager shall determine whether market yields are being achieved by comparing the average District portfolio yield to the 90 day U.S. Treasury Bill or the treasury security that most closely matches the duration of the portfolio.

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and officials who are involved in investing public funds or have the authority to decide how public funds are invested shall disclose to the District Board any material financial interests in financial institutions that conduct business within the Districts jurisdiction, and they shall further disclose the conduct of personal business with, receipt of pecuniary benefit from, or financial interest they have in any entities in which investments are being made.

1. Permitted Investments (any investment not mentioned herein is prohibited)

    i. Direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by , the United States of America or certificates or receipts established by the United States government or its agencies or instrumentalities representing direct ownership of future interest or principal payments on direction obligations of, or obligations fully guaranteed by, the United States of America or any of its agencies or instrumentalities, the obligations of which are backed by the full faith and credit of the United States.
    ii. Accounts, certificates of deposit and time deposits with banks and savings banks located in the District's service area provided that the collateral securing the investment permitted by this paragraph, are secured by the FDIC.
    iii. Bonds or securities of the State of New Mexico or of any agency or political subdivision or school district thereof which has a taxable valuation of real property for the last year of at least one million dollars and has not defaulted

in the payment of interest or sinking fund obligation or failed to pay any bonds at maturity at any time within five years preceding the date of investment.

iv. The "short-term investment fund" described in Section 6-10-10.1 N.M.S. A. 1978 or other similar pooled funds maintained by the State of New Mexico for the investment of public funds of the local public bodies of the state.

v. Shares of pooled investment funds managed by the state investment officer, as provided in Subsection (G) of Section 6-7-8 NMSA 1978.

vi. Any other investment permitted at the time of the investment by a statue of the State of New Mexico for public entities.

2. Funds available for investment for more than one year, including monies appropriated to permanent and irrevocable trust funds may be invested as provided in Section 6-10-10.G NMSA 1978. The Investment Officer shall conduct a thorough investigation prior to investing in any pool or fund and on a continuing basis once an investment is made. Information gathered will include a written statement of policy and objectives, eligible securities, interest calculation and distribution, securities settlement and safekeeping, handling gains/losses, audit opinions, and fee schedules and statements.

3. Collateralization

New Mexico state law require that all certificates of deposit, money market, checking accounts, and any other investments not backed by the full faith and credit of the United States Government, other than investments in the New Mexico State Investment Council long-term investment funds, be secured by pledged collateral of at least 50 percent of the current market value. This collateral will be pledged in the name of the District and held by a third party institution, Federal Reserve Bank, or by a trust institution within the same bank as approved by the Financial Manager. The institution will issue safekeeping receipts to the District for securities held by a third party. The District will require that at all times; pledged collateral will be equal to, or greater than, 50 percent of the current market value of the Districts' applicable investments.

4. Selection of appropriate Investments

i. Individual investments are selected to meet anticipated cash flow requirements and provide adequate liquidity. Within this cash flow perspective, the investment manager will select those securities that will best meet the District's overall portfolio strategy.

ii. Criteria for selecting investments and the order of priority are:

1. <u>Safety.</u> The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts.

The objective is to select only those investments that seek to ensure the preservation of capital in the overall portfolio and to mitigate credit risk and market risk.

2. Liquidity. This refers to the ability to "cash in" at any moment in time with a minimal chance of losing principal or interest. Liquidity is an important investment quality, especially when the need for unexpected funds occurs. The objective is to remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated within one hundred and eighty (180) days.

3. Yield. Yield is the potential dollar earnings an investment can provide, also referred to as the rate of return. The objective is to attain a rate of return that equals or exceeds the yield for the three month treasury bill.

5. Diversification

The District will diversify its use of investment instruments to eliminate nonsystematic risk. Strategic and tactical asset allocations shall be determined and revised periodically. In establishing asset allocations strategies, the following general policies and constraints shall apply: Portfolio maturities shall be staggered to avoid undue concentration of assets in a specific maturity range. With the exception of U. S. Treasury securities and authorized pools, no more than 50% of the total investment portfolio will be invested in a single sector or with a single financial institution or in a single maturity range. Maturities selected shall provide for stability of income and reasonable liquidity.

1. Liquidity shall be assured through practices ensuring that the next disbursement date and payroll date are covered through maturing investments.
2. Interest rate risk shall be controlled through duration management such that overall portfolio duration is set to a target based on existing market interest rates and rate expectations.

Selection of Brokers/Dealers

The Financial Manager shall develop and maintain a list of banks and securities dealers approved for securities transactions initiated by the district, and it shall be the policy of the District to purchase securities only from those authorized firms. To be eligible, a firm must meet at least one of the following criteria:

1. Be recognized as a Primary Dealer by the Federal Reserve Bank of New York or have a Primary Dealer within its holding company structure,
2. Report voluntarily to the Federal Reserve Bank of New York,
3. Qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

The Finance Manager will select broker/dealers on the basis of their expertise in public investing and their ability to provide service to the Districts account. Each authorized broker/dealer shall be required to submit and annually update a District approved Broker/Dealer Information Request form that includes the firm's most recent financial statements.

Approved broker/dealers shall attest in writing that they have received and read this Policy.

Safekeeping and Transaction Settlement

The Financial Manager shall approve one or more financial institutions to provide securities safekeeping services for the District. All investment securities purchased by the District will be held in third-party safekeeping by the District's safekeeping agent. The District's safekeeping agent will be required to furnish the District a list of holdings on at least a monthly basis. The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. Ownership of all securities shall be perfected in the name of the District. Sufficient evidence to title shall be consistent with modern investment, banking, and commercial practices.

Competitive Transactions

Securities purchases and sales will be executed after obtaining at least two competitive bids or offerings whenever feasible. If the District is offered a security for which competitive offerings cannot be obtained, quotations for comparable securities will be documented

7. Risk Management Policy

The District is to be protected to a prudent extent against liability or loss, which could significantly affect personnel, property, finances or the ability of the District to continue to fulfill its responsibilities as a regional transit entity. This is to be accomplished through the continuous identification, analysis, and control of risk exposures, the determination of the best methods of preventing or limiting losses and the section of the most economical method of insurance or other means.

Policy

I. After identification of loss potential and development of loss prevention programs, the mitigation of the financial impact of loss, as it may occur, shall be based on the most economical method of providing funds to meet the obligations of the District and to restore its facilities and/or equipment.

II. Risk management techniques shall include:

a. Assumption of loss

b. Use of available government programs

c. Purchase of insurance

d. Any other program that will provide the District with the most economical method of financing losses

III. The purchase of insurance shall be considered when:

a. The estimate of the cost of potential loss exceeds an amount considered as an allowable retention of risk and there are no other techniques available at a lesser cost

b. Services of loss adjustment and loss prevention are best secured through an insured program

c. Legal or contractual obligations require insurance

8. Periodic Review and Amendment

The Financial Policies delineated herein shall be subject to review and revision by the District at least every three (3) years. This does not preclude the District from revising specific policies included herein nor from adding policies should the District determine that the best interest of the public and/or NCRTD would be served by making such a revision.

Amendments or revision to these financial policies may be initiated or proposed by any member of the District Board or by the Executive Director of the NCRTD.
Proposed amendments or revisions to these Financial Policies shall be first presented to and reviewed by the Board's Finance and Consolidation Subcommittee. The Subcommittee shall make a recommendation on any proposed amendment or revision to the District Board.

The District Board must approve any amendment or revision by majority vote before said amendment or revision shall become official policy of the NCRTD.

9. Management Reporting Requirements

The Executive Director will provide the District Board with an annual report on the Districts actual versus budget performance at the end of the fiscal year once the books have closed.

10/17/2013

Long Range Financial Plan - Moderate Case Scenario

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenues	**Actual**	**Actual**	**Budget**	**Projected**									
RTD GRT Revenue	7,128,176	6,871,270	6,720,765	6,922,388	7,130,060	7,343,961	7,564,280	7,791,209	8,024,945	8,265,693	8,513,664	8,769,074	9,032,146
Federal Capital Funds	609,541	303,929	96,000	912,900	418,400	1,783,320	700,800	557,600	722,400	701,600	524,000	321,600	400,000
Federal Funds 5311/5316	1,054,113	1,395,620	1,370,149	1,411,253	1,439,479	1,468,268	1,497,633	1,527,586	1,558,138	1,589,301	1,621,087	1,653,508	1,686,579
Federal Funds 5304			151,250										
Capital Outlay (State/Fed)	866,856		170,000	60,000									
LA GRT	600,000	500,000	450,000	400,000									
Tribal Transit	4,749	314,386											
Miscellaneous (fares, TAP $)	33,702	99,898	373,800	124,266									
Cash Balance Carry over for Capital		321,215											
Total Operating Revenues	10,297,137	9,806,318	9,331,964	9,830,807	8,987,938	10,595,549	9,762,714	9,876,395	10,305,483	10,556,594	10,658,751	10,744,182	11,118,725

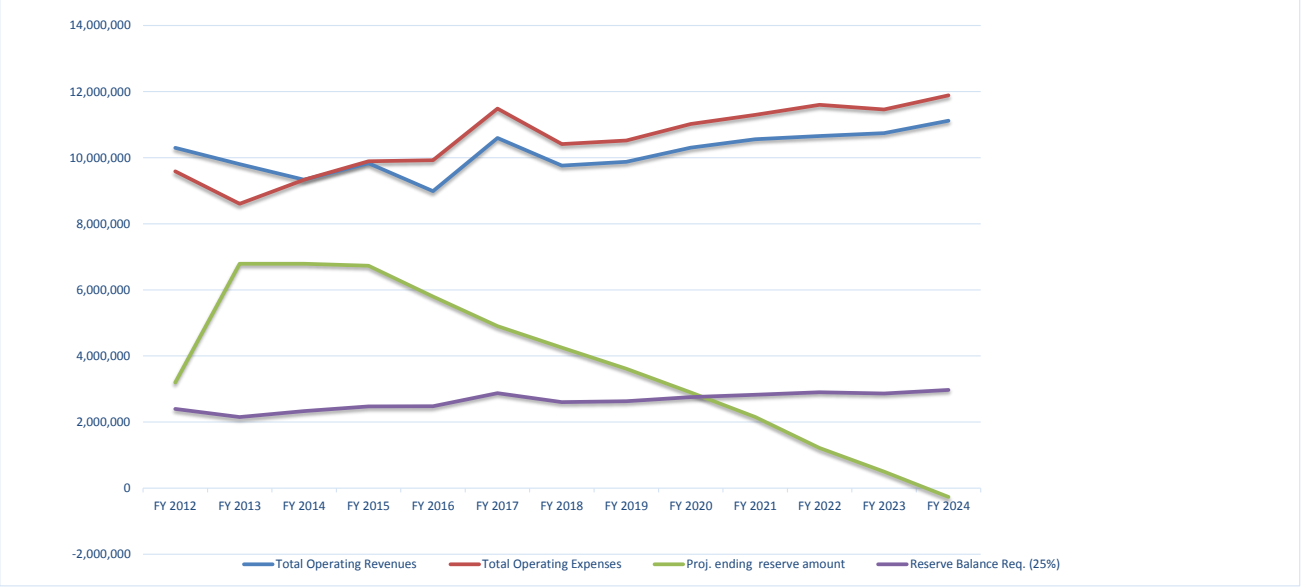
Operating Expenses	**Actual**	**Actual**	**Budget**	**Projected**									
Administrative Costs	961,546	862,723	1,138,276	1,172,424	1,207,597	1,243,825	1,281,140	1,319,574	1,359,161	1,399,936	1,441,934	1,485,192	1,529,748
Operating & Maintenance Costs	2,287,592	2,652,716	3,091,814	3,184,568	3,280,105	3,378,509	3,479,864	3,584,260	3,691,788	3,802,541	3,916,617	4,034,116	4,155,139
NCRTD GRT Allocations % based	4,257,127	4,327,824	4,242,874	4,370,160	4,501,265	4,636,303	4,775,392	4,918,654	5,066,213	5,218,200	5,374,746	5,535,988	5,702,068
Capital Investment Plan	2,081,665	762,446	859,000	1,162,326	935,500	2,229,000	876,000	697,000	903,000	877,000	865,000	402,000	500,000
Total Operating Expenses	9,587,930	8,605,709	9,331,964	9,889,479	9,924,468	11,487,637	10,412,396	10,519,487	11,020,162	11,297,677	11,598,297	11,457,296	11,886,955

Net Operating Income	709,207	1,200,609	0	**(58,672)**	**(936,529)**	**(892,087)**	**(649,682)**	**(643,093)**	**(714,679)**	**(741,083)**	**(939,547)**	**(713,114)**	**(768,230)**
Reserve Balance Req. (25%)	2,396,983	2,151,427	2,332,991	2,472,370	2,481,117	2,871,909	2,603,099	2,629,872	2,755,041	2,824,419	2,899,574	2,864,324	2,971,739
over/under reserve balance	**803,836**	**1,049,391**	**4,457,340**	**4,317,961**	**4,250,543**	**2,923,221**	**2,299,944**	**1,623,489**	**855,228**	**71,170**	**(745,068)**	**(1,649,365)**	**(2,469,893)**
Proj. ending reserve amount	3,200,818	6,790,331	6,790,331	6,731,660	5,795,130	4,903,043	4,253,361	3,610,268	2,895,589	2,154,506	1,214,959	501,845	**(266,385)**

1. No Service increases
2. 3% inflator for Revenues - Federal escalates at 3% a year
3. O & M costs inflated at 3%
4. NCRTD GRT allocations based upon Board approved formula
5. Capital reflects RTD 10 year plan

Reserve Fund Allocation per proposed policy

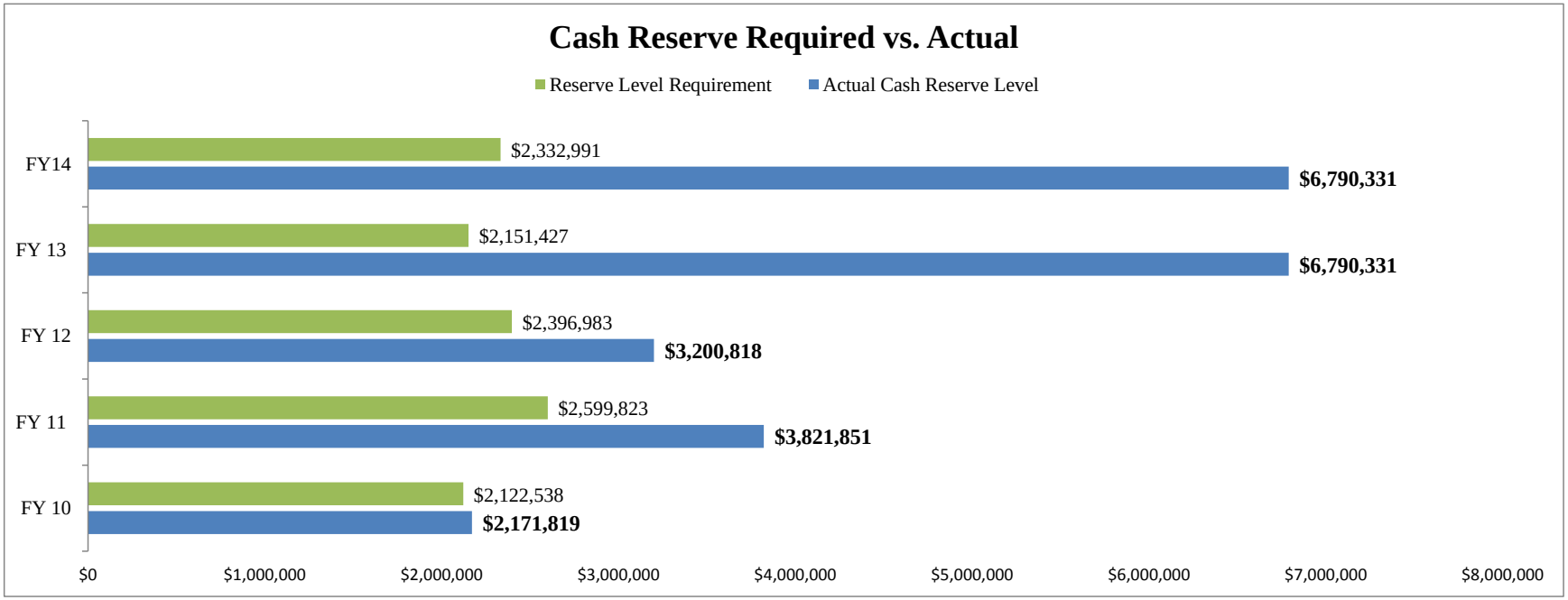
Reserve for operations (25%)	$2,332,991.00
Reserve for capital (15%)	$1,399,794.60
Reserve for service enhancements (5%)	$466,598.20
Total **Designated** Reserve Funds	$4,199,383.80
Undesignated Reserve Funds	$2,590,947.20
Total all Reserves	$6,790,331.00



NCRTD
Cash Reserve Summary

Fiscal Year	Cash Reserve Levels		Reserve Level Requirment (25%)
FY 10	$2,171,819	(1)	$2,122,538
FY 11	$3,821,851		$2,599,823
FY 12	$3,200,818		$2,396,983
FY 13	$6,790,331	(2)	$2,151,427
FY14	$6,790,331		$2,332,991

(1) Includes $700,000 Revolving Fund
(2) Unaudited, ending cash balance



Agenda Report
NCRTD Board of Directors Meeting
Meeting Date: November 8, 2013
Agenda Item - E

Title: Service Request Update for Sipapu, Ski Santa Fe, Town of Taos

Prepared By: Stacey McGuire, Projects and Grants Specialist

Summary: As directed by the Board at the September 2013 meeting, Staff has continued communications with Sipapu Ski and Summer Resort, and is awaiting response from Sipapu corporate as to its ability to contribute financially to offset the cost of weekend service expansion. Any additional information gathered will be supplied at the Board meeting.

Also at the September 2013 meeting, the Board directed Staff to begin discussions regarding the Ski Santa Fe service request. City of Santa Fe has reached out to Ski Santa Fe owners and other stakeholders to set a meeting to discuss the service. The date/time of this meeting is pending. Any additional information will be supplied at the November Board meeting.

Staff, again upon Board direction at the October 2013 meeting, has continued to reach out to the Town of Taos with the intent to discuss opportunities for both agencies to eliminate service redundancies, improve interconnectivity, and reduces costs. A tentative meeting date of November 1, 2013 has been set and any information resulting from the discussions will be provided at the Board meeting.

Background: At the October 2013 Board meeting, service requests were discussed in relation to Sipapu Ski and Summer Resort and Ski Santa Fe. The Board also discussed potential opportunities to reduce redundancies and improve interconnectivity through collaboration between the NCRTD and the Town of Taos Chile Line. This collaboration, in addition to improving overall regional transit service, could result in cost reductions for both agencies, and the NCRTD cost savings could then potentially be reprogrammed into future route expansions (at Board direction). As it was determined that the service requests are ongoing and additional

assessment is required, the Board directed Staff to return with an update at the November Board meeting. Furthermore, conversations with the Town of Taos Chile Line could potentially result in cost savings, which the Board could direct Staff to reprogram into future service expansions.

Recommended Action:
No action required and Staff will report back to the Board at the December 2013 meeting with an update.

Options/Alternatives:
Not Applicable

Fiscal Impact:
Not Applicable

North Central Regional Transit District
Financial Summary
As of October 23, 2013

Summary:
The North Central Regional Transit District (NCRTD) is currently reporting nearly 4 months of financial activity. The standard for expenses that should be spent for the 4 months period is 33% of the budget.

The month of October does not reflect all expenses because the Finance Department will continue to process invoices for the remainder of the month and the District is continuing to also process revenue income as reported.

All budget figures in the revenue and expense charts and tables have been divided using a straight-line method to allocate monthly budget figures. A comparative analysis in revenue and expenses is presented to compare the previous year operating results.

Financial Highlights

Revenue:
As of October 23, 2013, total revenue of $1,448,683 was received by NCRTD. The District normally anticipates GRT from gathering information reported on the New Mexico Taxation and Revenue Department in which it has only reported activity for July-August 2013 in which we received the Accounts receivable information now in October, 2013.

Revenue for fares, advertising, and miscellaneous/interest revenue $ 8,869.

Expenditures:
For the month ending October 23, 2013, NCRTD recognized expenditures totaling $1,280,274 which is 13.7% of total budgeted expenditures. This percentage is below the standard 33% for the time period, mostly due to quarterly (instead of monthly) payments to the City of Santa Fe and Los Alamos County for transit services that will come due in October 2014.

Of the $1,280,274 spent by NCRTD, $275,662 was in Administration, $1,004,612 in Operations and $0 in Capital Outlay.

Administration has spent 24.2% of their budget, Operations has spent 13.7% and 0% in Capital Outlay.

Other Items

NCRTD Allocation of Gross Receipt Tax Revenues

As of June 30, 2013 the NCRTD received a total of $6,871,270 in Gross Receipts revenue. Of the total revenue received the obligation to Non-RTD GRT expenditures were allocated between Railrunner at $2,013,811, 29%, Los Alamos County at, $1,332,081, at 20%, and the City of Santa Fe at, $981,932 at 14% of GRT revenue. The NCRTD Expended 37% of the GRT revenue with $2,543,446. Attached to the financial summary the trend of FY2012, FY2013 actuals as well as FY14 Budgeted Operating budget, for future indicators to allocated GRT Revenue the NCRTD receives.

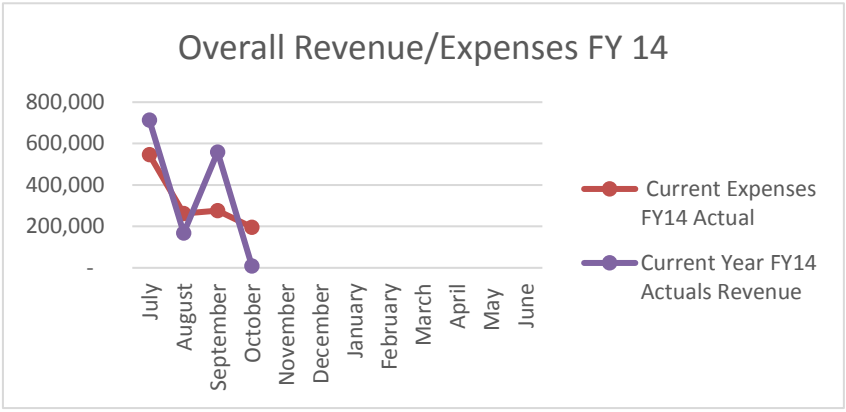
This Financial Summary should be reviewed in conjunction with the Monthly Board Financial Report

MONTHLY BOARD REPORT

FY2014 (July 1, 2013 to June 30, 2014)

NCRTD Revenue and Expenses vs. Budget

As of October 23, 2013



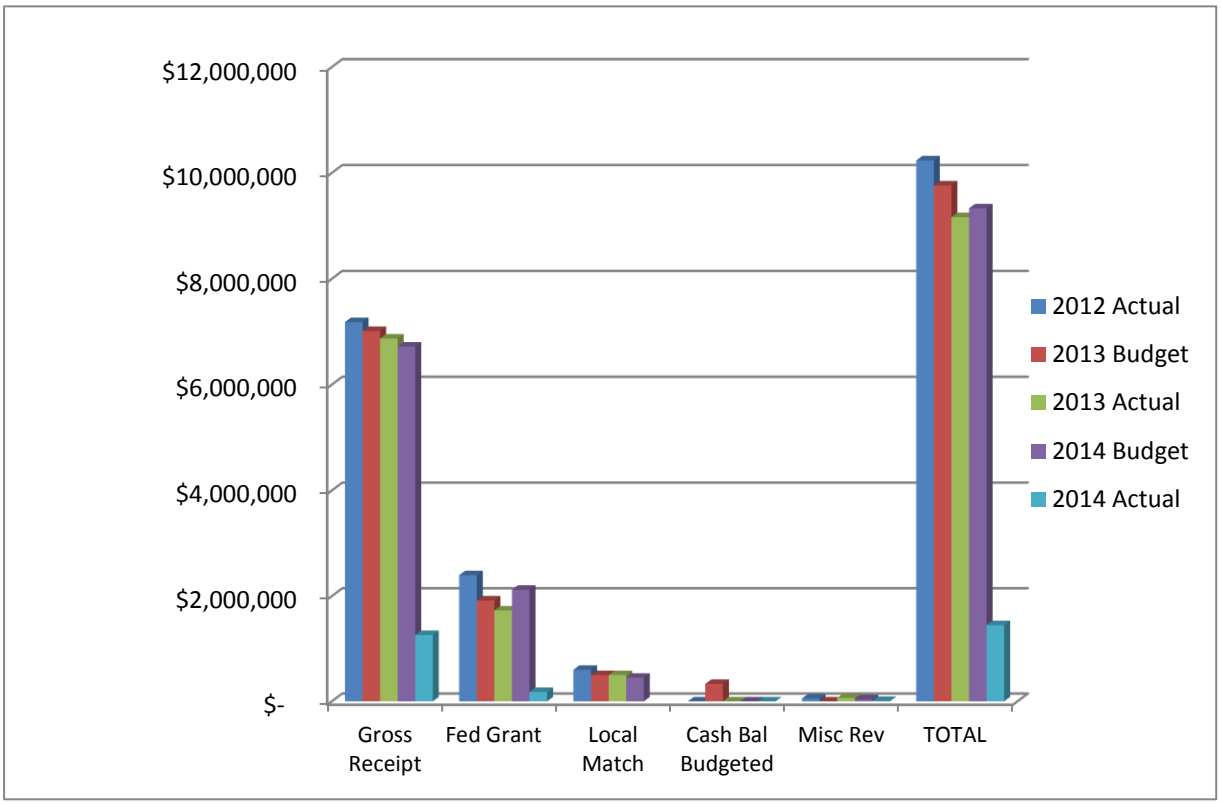
	Expenses		Revenue	
	Budget Expenses FY14	Current Expenses FY14 Actual	Budget Revenue FY14	Current Year FY14 Actuals Revenue
July	777,664	546,007	777,664	712,973
August	777,664	262,332	777,664	168,053
Septembei	777,664	275,654	777,664	558,788
October	777,664	196,281	777,664	8,869
November	777,664		777,664	
December	777,664		777,664	
January	777,664		777,664	
February	777,664		777,664	
March	777,664		777,664	
April	777,664		777,664	
May	777,664		777,664	
June	777,664		777,664	
Totals	9,331,963.92	1,280,274	9,331,963.92	1,448,683

MONTHLY BOARD REPORT

FY2014 (July 1, 2013 to June 30, 2014)

NCRTD Revenue by Sources

As of October 23, 2013



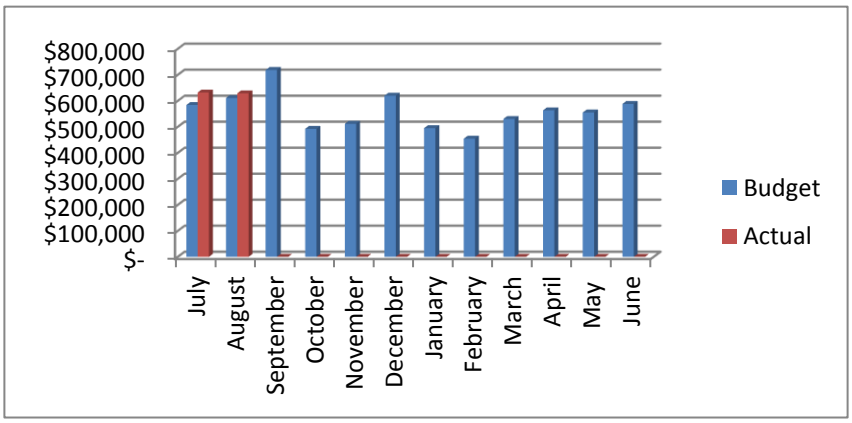
	2012 Actual	2013 Budget	2013 Actual	2014 Budget	2014 Actual	% of Actual vs budget
Gross Receipt	$ 7,183,334	$ 7,013,800	$ 6,872,026	$ 6,720,765	$ 1,260,517	18.8%
Fed Grant	$ 2,397,970	$ 1,917,879	$ 1,727,932	$ 2,121,199	$ 179,297	8.5%
Local Match	$ 600,000	$ 500,000	$ 500,000	$ 450,000		0.0%
Cash Bal Budgeted	$ -	$ 333,000	$ -	$ -	$ -	0.0%
Misc Rev	$ 56,140	$ -	$ 65,710	$ 40,000	$ 8,869	22.2%
TOTAL	$ 10,237,444	$ 9,764,679	$ 9,165,669	$ 9,331,964	$ 1,448,683	15.5%

Budget to Actual FY2014
($ thousands)

MONTHLY BOARD REPORT

FY2014 (July 1, 2013 to June 30, 2014)

Gross Receipts Revenue Thru October 23, 2013



Budget to Actual FY2013
($ thousands)

	Budget	Actual	Actual Revenue % of Monthly Budget
July	$ 583,796	$ 631,877	108%
August	$ 610,664	$ 628,640	103%
September	$ 718,470	$ -	0%
October	$ 492,080	$ -	0%
November	$ 511,261	$ -	0%
December	$ 619,551	$ -	0%
January	$ 494,792	$ -	0%
February	$ 454,335	$ -	0%
March	$ 529,932	$ -	0%
April	$ 563,055	$ -	0%
May	$ 555,133	$ -	0%
June	$ 587,696	$ -	0%
	$ 6,720,765	**$ 1,260,517**	**19%**

Prior Year vs. Current Year
($ thousands)

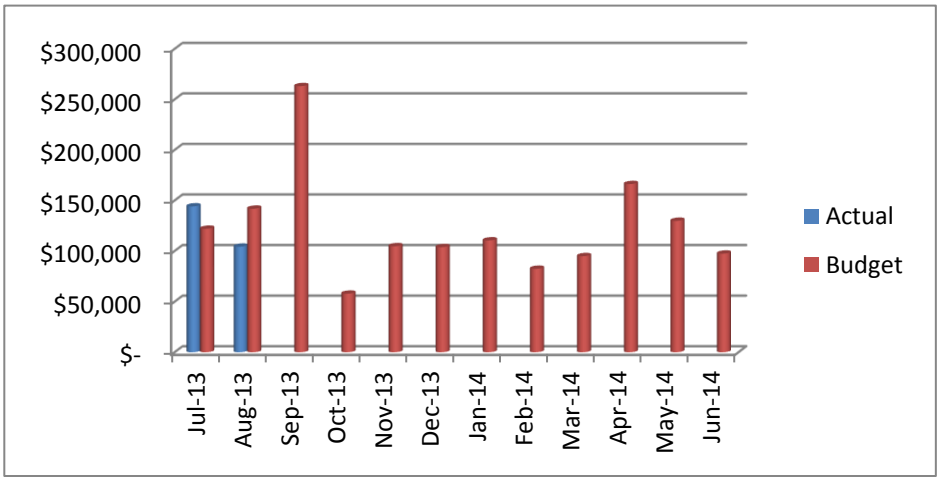
	Prior Year FY2013	Current Year FY2014	Inc/Dec from Prior Year to Current Year
July	$ 590,848	$ 631,877	$ 41,029
August	$ 645,616	$ 628,640	$ (16,976)
September	$ 717,978	$ -	$ (717,978)
October	$ 390,333	$ -	$ (390,333)
November	$ 520,527	$ -	$ (520,527)
December	$ 614,240	$ -	$ (614,240)
January	$ 537,863	$ -	$ (537,863)
February	$ 504,470	$ -	$ (504,470)
March	$ 561,238	$ -	$ (561,238)
April	$ 648,134	$ -	$ (648,134)
May	$ 561,422	$ -	$ (561,422)
June	$ 579,356	$ -	$ (579,356)
	$ 6,872,026	**$ 1,260,517**	**$ (5,611,510)**

MONTHLY BOARD REPORT

FY2014 (July 1, 2013 to June 30, 2014)

Gross Receipts Revenue By County

LOS ALAMOS COUNTY



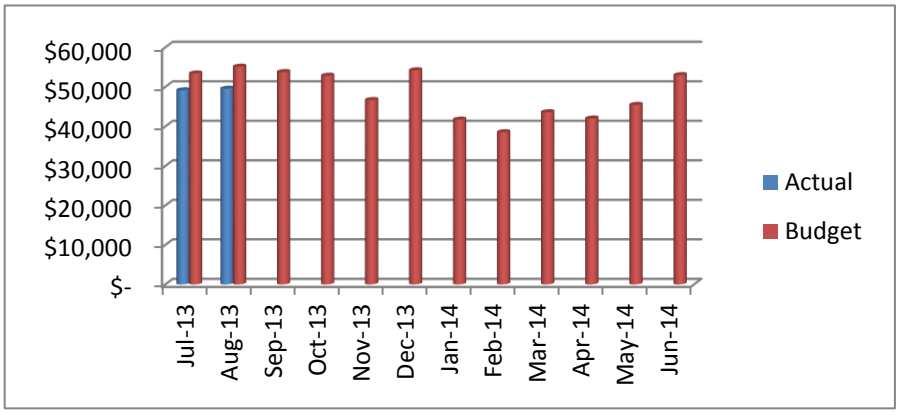
Date Received		Actual	Budget	of Monthly Budget
9/24/2013	Jul-13	$ 144,054	$ 121,957	118%
10/4/2013	Aug-13	$ 104,260	$ 141,783	74%
	Sep-13		$ 263,082	0%
	Oct-13		$ 57,814	0%
	Nov-13		$ 104,716	0%
	Dec-13		$ 103,819	0%
	Jan-14		$ 110,459	0%
	Feb-14		$ 82,381	0%
	Mar-14		$ 94,894	0%
	Apr-14		$ 166,154	0%
	May-14		$ 129,801	0%
	Jun-14		$ 97,405	0%
	YTD Total	$ 248,315	$ 1,474,265	17%

MONTHLY BOARD REPORT

FY2014 (July 1, 2013 to June 30, 2014)

Gross Receipts Revenue By County

RIO ARRIBA COUNTY



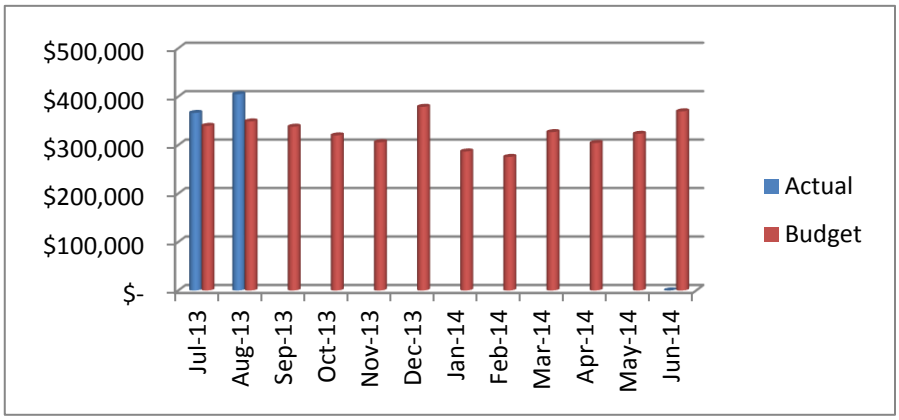
Date Received		Actual	Budget	Actual Revenue % of Monthly Budget
10/9/2013	Jul-13	$ 49,128	$ 53,368	92%
TBD	Aug-13	$ 49,535	$ 55,096	90%
	Sep-13		$ 53,733	0%
	Oct-13		$ 52,811	0%
	Nov-13		$ 46,655	0%
	Dec-13		$ 54,188	0%
	Jan-14		$ 41,700	0%
	Feb-14		$ 38,509	0%
	Mar-14		$ 43,572	0%
	Apr-14		$ 41,983	0%
	May-14		$ 45,426	0%
	Jun-14		$ 52,959	0%
	YTD Total	$ 98,663	$ 580,000	17%

MONTHLY BOARD REPORT

FY2014 (July 1, 2013 to June 30, 2014)

Gross Receipts Revenue By County

SANTA FE COUNTY



Date Received		Actual	Budget	Actual Revenue % of Monthly Budget
9/20/2013	Jul-13	$ 366,256	$ 339,502	108%
10/22/2013	Aug-13	$ 404,993	$ 348,693	116%
	Sep-13		$ 337,730	0%
	Oct-13		$ 319,815	0%
	Nov-13		$ 305,700	0%
	Dec-13		$ 378,796	0%
	Jan-14		$ 286,609	0%
	Feb-14		$ 275,381	0%
	Mar-14		$ 326,600	0%
	Apr-14		$ 304,095	0%
	May-14		$ 323,070	0%
	Jun-14	$ -	$ 369,509	0%
	YTD Total	$ 771,249	$ 3,915,500	20%

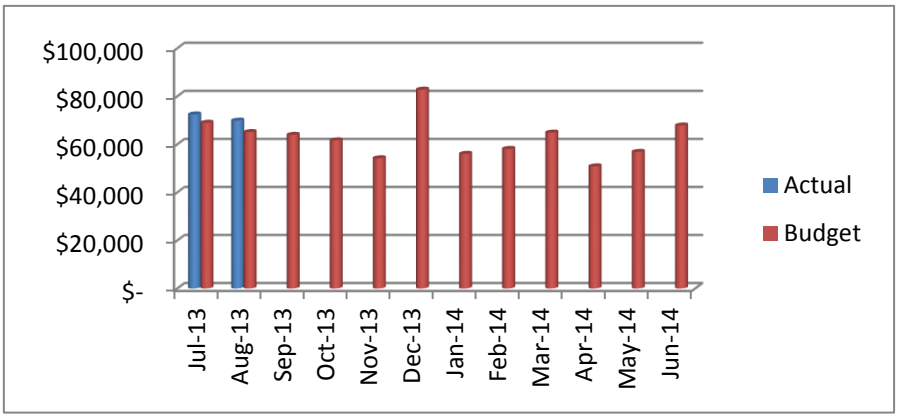
** Note one-half of the SF County GRT is allocated to Rio Metro

MONTHLY BOARD REPORT

FY2014 (July 1, 2013 to June 30, 2014)

Gross Receipts Revenue By County

TAOS COUNTY

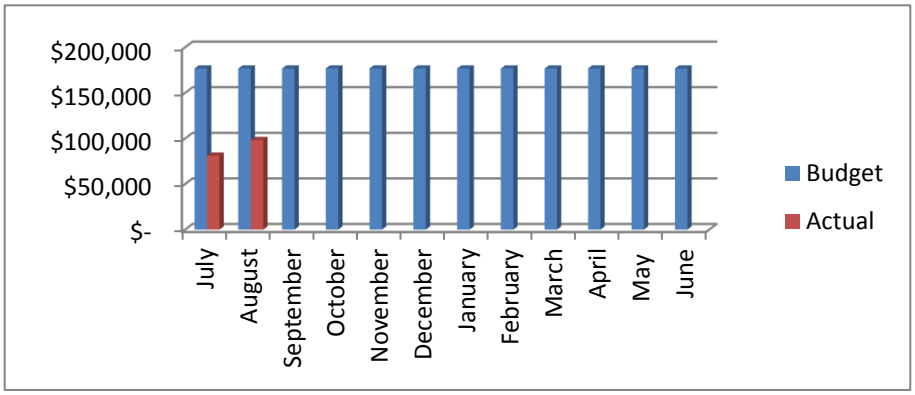


Date Received		Actual	Budget	of Monthly Budget
9/26/2013	Jul-13	$ 72,438	$ 68,969	105%
TBD	Aug-13	$ 69,852	$ 65,092	107%
	Sep-13		$ 63,925	0%
	Oct-13		$ 61,640	0%
	Nov-13		$ 54,190	0%
	Dec-13		$ 82,748	0%
	Jan-14		$ 56,024	0%
	Feb-14		$ 58,064	0%
	Mar-14		$ 64,866	0%
	Apr-14		$ 50,823	0%
	May-14		$ 56,836	0%
	Jun-14		$ 67,823	0%
	YTD Total	$ 142,290	$ 751,000	19%

MONTHLY BOARD REPORT

FY2014 (July 1, 2013 to June 30, 2014)

Grant Revenue



Budget to Actual FY2014
($ thousands)

	Budget	Actual	Actual Revenue % of Monthly Budget
July	$ 176,767	$ 81,096	46%
August	$ 176,767	$ 98,201	56%
September	$ 176,767		0%
October	$ 176,767		0%
November	$ 176,767		0%
December	$ 176,767		0%
January	$ 176,767		0%
February	$ 176,767		0%
March	$ 176,767		0%
April	$ 176,767		0%
May	$ 176,767		0%
June	$ 176,767		0%
	$ 2,121,199	**$ 179,297**	8%

Prior Year vs. Current Year
($ thousands)

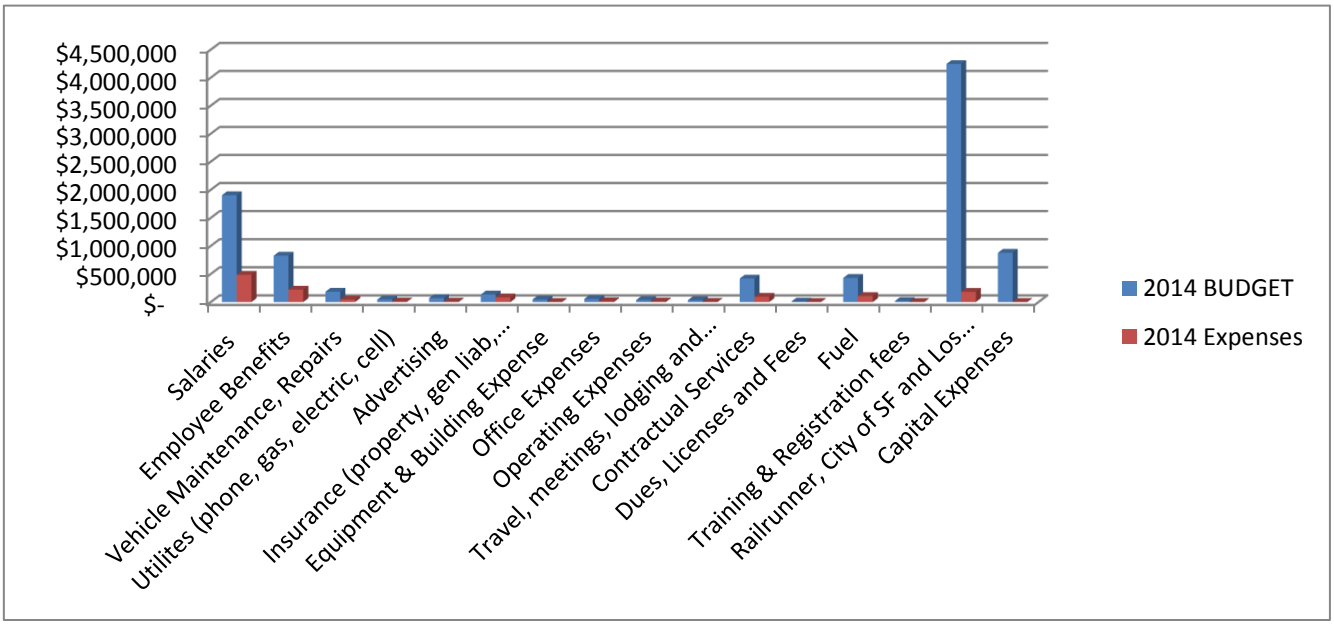
	Prior Year FY2013	Current Year FY2014	Inc/Dec from Prior Year to Current Year
July	$ 12,892	$ 81,096	$ 68,204
August	$ 156,324	$ 98,201	$ (58,123)
September	$ 20,023		$ (20,023)
October	$ 98,589		$ (98,589)
November	$ 84,275		$ (84,275)
December	$ 130,478		$ (130,478)
January	$ 126,499		$ (126,499)
February	$ 214,632		$ (214,632)
March	$ 275,465		$ (275,465)
April	$ 248,497		$ (248,497)
May	$ 237,820		$ (237,820)
June	$ 254,362		$ (254,362)
	$ 1,859,857	**$ 179,297**	

MONTHLY BOARD REPORT

FY2014 (July 1, 2013 to June 30, 2014)

NCRTD Expenses by Type

As of October 23, 2013



Comparative Expenses by Type

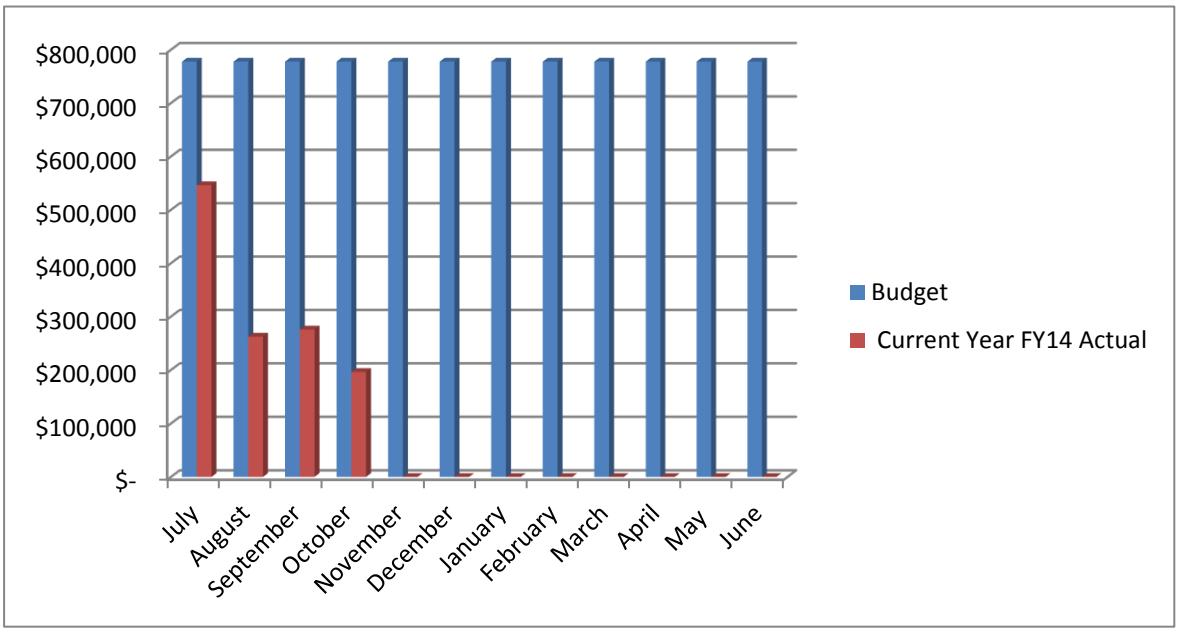
	2014 BUDGET $	2014 Expenses $	YTD Budget Variance 33%
Salaries	$ 1,902,117	$ 485,732	25.5%
Employee Benefits	$ 825,665	$ 220,320	26.7%
Vehicle Maintenance, Repairs	$ 184,920	$ 44,319	24.0%
Utilites (phone, gas, electric, cell)	$ 44,298	$ 11,127	25.1%
Advertising	$ 70,440	$ 9,491	13.5%
Insurance (property, gen liab, vehicle, civil rights)	$ 135,000	$ 84,221	62.4%
Equipment & Building Expense	$ 46,036	$ 2,674	5.8%
Office Expenses	$ 56,470	$ 14,648	25.9%
Operating Expenses	$ 35,700	$ 10,184	28.5%
Travel, meetings, lodging and per diem	$ 34,712	$ 5,096	14.7%
Contractual Services	$ 418,733	$ 95,188	22.7%
Dues, Licenses and Fees	$ 9,486	$ 1,775	18.7%
Fuel	$ 430,000	$ 107,411	25.0%
Training & Registration fees	$ 18,513	$ 1,703	9.2%
Railrunner, City of SF and Los Alamos	$ 4,242,874	$ 183,128	4.3%
Capital Expenses	$ 877,000	$ 3,257	0.4%
TOTAL	$ 9,331,964	$ 1,280,274	13.7%

-

MONTHLY BOARD REPORT

FY2014 (July 1, 2013 to June 30, 2014)

NCRTD BUDGET EXPENDITURES OVERALL



Budget to Actual FY2014
Expenses ($ thousands)

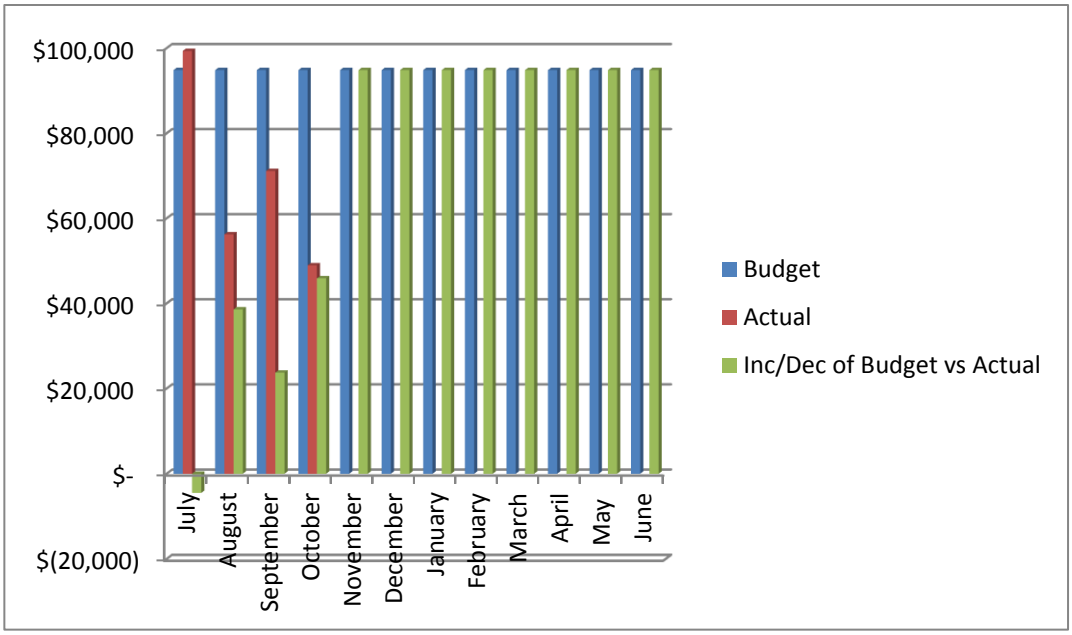
	Prior Year FY13 Actual	Budget	Current Year FY14 Actual	Inc/Dec of Budget vs Actual	
July	$ 311,578	$ 777,664	$ 546,007	$ 231,656	
August	$ 250,791	$ 777,664	$ 262,332	$ 515,332	
September	$ 683,194	$ 777,664	$ 275,654	$ 502,010	
October	$ 326,905	$ 777,664	$ 196,281	$ 581,383	
November	$ 936,614	$ 777,664	$ -	$ 777,664	
December	$ 414,507	$ 777,664	$ -	$ 777,664	
January	$ 381,446	$ 777,664	$ -	$ 777,664	
February	$ 446,430	$ 777,664	$ -	$ 777,664	
March	$ 528,488	$ 777,664	$ -	$ 777,664	
April	$ 859,345	$ 777,664	$ -	$ 777,664	
May	$ 1,534,149	$ 777,664	$ -	$ 777,664	
June	$ 292,818	$ 777,664	$ -	$ 777,664	
	$ 6,966,265	**$ 9,331,964**	**$ 1,280,274**	**$ 8,051,690**	**14%**
			$ 1,280,274		
TOTAL NCRTD Budget			$ -		

MONTHLY BOARD REPORT

FY2014 (July 1, 2013 to June 30, 2014)

Administration Expense Summary

Year to Date Budget Variance -33%



Budget to Actual FY2014
($ thousands)

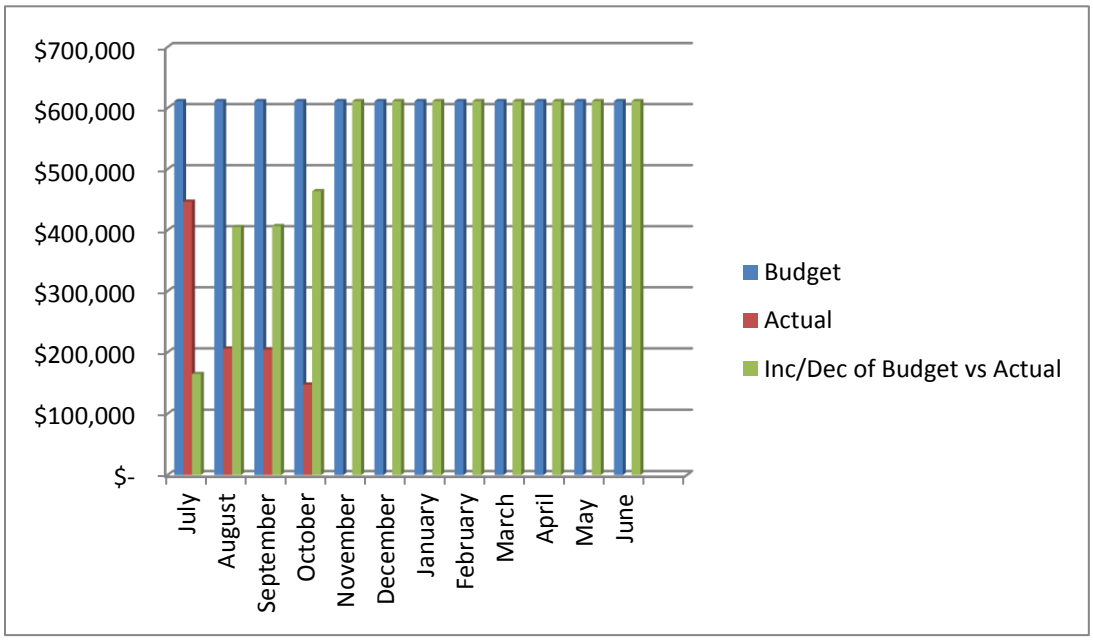
	Budget	Actual	Inc/Dec of Budget vs Actual	YTD Budget Variance 33%
July	$ 94,856	$ 99,342	$ (4,486)	104.7%
August	$ 94,856	$ 56,248	$ 38,608	59.3%
September	$ 94,856	$ 71,122	$ 23,734	75.0%
October	$ 94,856	$ 48,949	$ 45,907	51.6%
November	$ 94,856		$ 94,856	0.0%
December	$ 94,856		$ 94,856	0.0%
January	$ 94,856		$ 94,856	0.0%
February	$ 94,856		$ 94,856	0.0%
March	$ 94,856		$ 94,856	0.0%
April	$ 94,856		$ 94,856	0.0%
May	$ 94,856		$ 94,856	0.0%
June	$ 94,856		$ 94,856	0.0%
	$ 1,138,276	**$ 275,662**		**24.2%**

MONTHLY BOARD REPORT

FY2014 (July 1, 2013 to June 30, 2014)

Operating Expense Summary

Year to Date Budget Variance -33%



Budget to Actual FY2014
($ thousands)

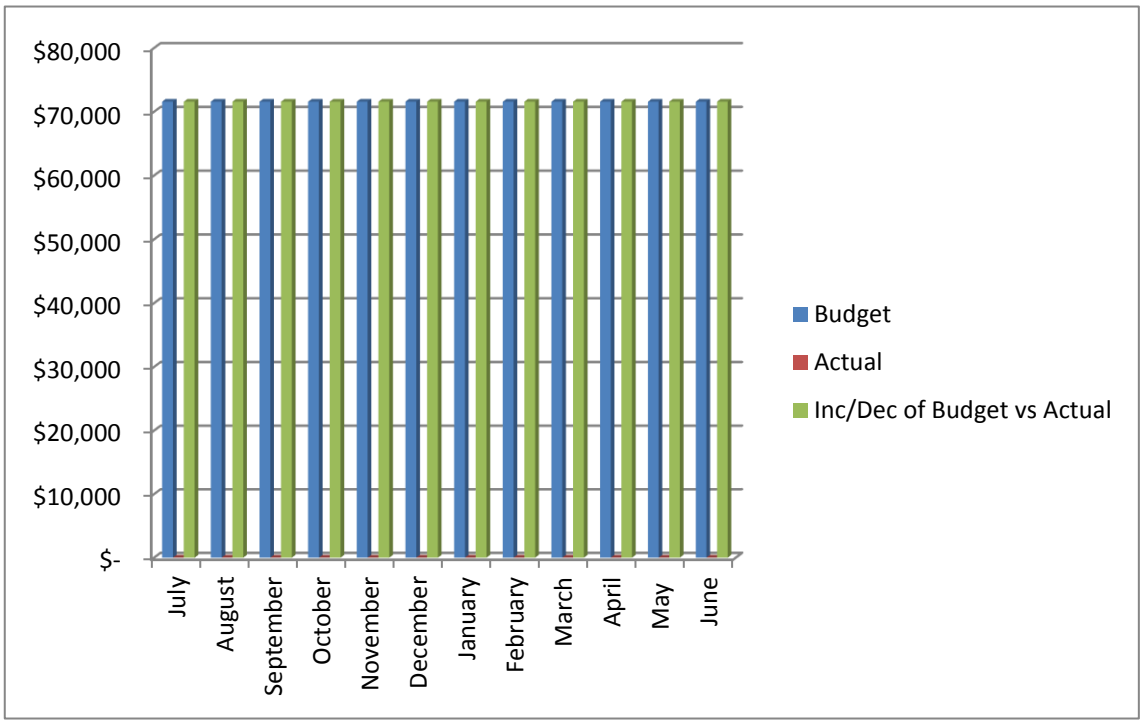
	Budget	Actual	Inc/Dec of Budget vs Actual	YTD Budget Variance 33%
July	$ 611,224	$ 446,665	$ 164,559	73.1%
August	$ 611,224	$ 206,084	$ 405,140	33.7%
September	$ 611,224	$ 204,531	$ 406,693	33.5%
October	$ 611,224	$ 147,332	$ 463,892	24.1%
November	$ 611,224		$ 611,224	0.0%
December	$ 611,224		$ 611,224	0.0%
January	$ 611,224		$ 611,224	0.0%
February	$ 611,224		$ 611,224	0.0%
March	$ 611,224		$ 611,224	0.0%
April	$ 611,224		$ 611,224	0.0%
May	$ 611,224		$ 611,224	0.0%
June	$ 611,224		611,224.00	0.0%
	$ 7,334,688	**$ 1,004,612**		**13.7%**

MONTHLY BOARD REPORT

FY2014 (July 1, 2013 to June 30, 2014)

Capital Expense Summary

Year to Date Budget Variance -33%



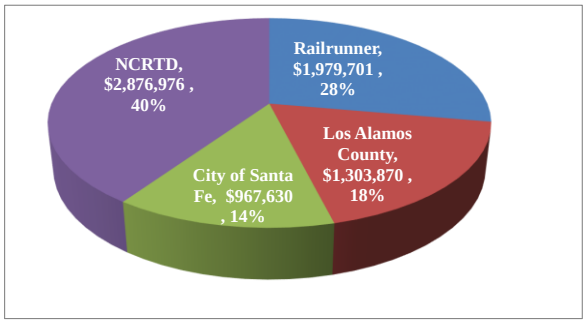
Budget to Actual FY2014
($ thousands)

	Budget	Actual	Inc/Dec of Budget vs Actual	YTD Budget Variance 33%
July	$ 71,583	$ -	$ 71,583	0%
August	$ 71,583	$ -	$ 71,583	0%
September	$ 71,583	$ -	$ 71,583	0%
October	$ 71,583	$ -	$ 71,583	0%
November	$ 71,583	$ -	$ 71,583	0%
December	$ 71,583	$ -	$ 71,583	0%
January	$ 71,583	$ -	$ 71,583	0%
February	$ 71,583	$ -	$ 71,583	0%
March	$ 71,583	$ -	$ 71,583	0%
April	$ 71,583	$ -	$ 71,583	0%
May	$ 71,583	$ -	$ 71,583	0%
June	$ 71,583	$ -	$ 71,583	0%
	$ 859,000	**$ -**		**0.0%**

North Central Regional Transit District
Allocation of Gross Receipts Transit Tax Revenues
FY12, FY13 & FY14

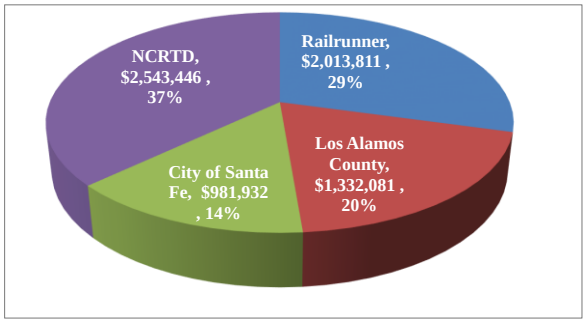
FY12 Actual GRT Expenditures

Description		Actual	Percentage
Railrunner	$	1,979,701	28%
Los Alamos County	$	1,303,870	18%
City of Santa Fe	$	967,630	14%
NCRTD	$	2,876,976	40%
Total	$	7,128,176	100%



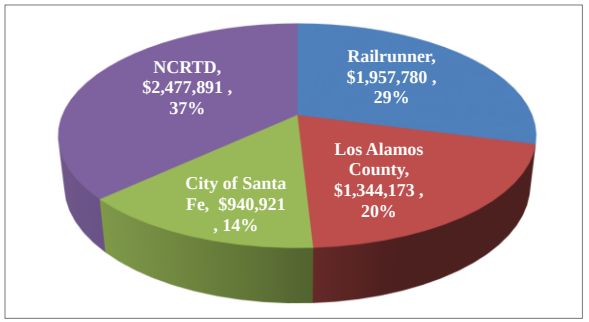
FY13 Actual GRT Expenditures

Description		Actual	Percentage
Railrunner	$	2,013,811	29%
Los Alamos County	$	1,332,081	20%
City of Santa Fe	$	981,932	14%
NCRTD	$	2,543,446	37%
Total	$	6,871,270	100%



FY14 GRT Operating Budget

Description		FY 14 Oper. Budget	Percentage
Railrunner	$	1,957,780	29%
Los Alamos County	$	1,344,173	20%
City of Santa Fe	$	940,921	14%
NCRTD	$	2,477,891	37%
Total	$	6,720,765	100%



NCRTD funds are used for services provided in Santa Fe County, Rio Arriba County, Taos County and Los Alamos County

NORTH CENTRAL REGIONAL TRANSIT DISTRICT (NCRTD)
FINANCE SUBCOMMITTEE

August 23, 2013
9:00 a.m. - 11:00 a.m.

Executive Conference Room
1327 N. Riverside Drive
Espanola, NM 87532

AGENDA

CALL TO ORDER: Tim Vigil, Chair

Roll Call:

ITEMS FOR DISCUSSION/RECOMMENDATION

A. **Hinkle and Landers Audit Entrance Conference**
Sponsor: Anthony Mortillaro, NCRTD Executive Director and Glenda Aragon, Finance Manager.

B. **Minutes from July 26, 2013 Meeting**
Draft Minutes

MATTERS FROM THE SUBCOMMITTEE

ADJOURN

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language Interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing of the meeting, please contact the NCRTD Executive Assistant at 505-629-4702 at least one week prior to the meeting, or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats.

Finance Subcommittee

Meeting August 23, 2013

9:00 a.m.

Board Members Present (Telephonically): *Commissioner Dan Barrone - Taos County, Commissioner Miguel Chavez – Santa Fe County, Tim Vigil – Pueblo of Pojoaque (In Person), Councilor Geoff Rodgers – Los Alamos County (In Person)*

Staff Present: *Anthony Mortillaro – Executive Director, Glenda Aragon – Finance Manager, Pat Lopez – Finance Analyst, Dalene Lucero – Executive Assistant*

Guest(s) Present (Telephonically)*: Farley Vener – Hinkle and Landers, Katelyn Constantin – Hinkle and Landers*

Absent: *Commissioner Barney Trujillo - Rio Arriba County*

Transcribed By: Dalene E. Lucero – Executive Assistant

ROLL CALL

APPROVAL OF AGENDA

A. Hinkle and Landers Audit Entrance Conference

Mr. Vener gave a brief introduction in regards to the Audit Entrance Conference. He stated that he, Katelyn Constantin and Lauren Stover would be working on this years' audit for the District. He went on to state the general objectives of the audit, stating that they wished to provide an overview of the FY13 Audit Process; to establish two-way communication with management and the governing Board of Directors; to define the auditor and management responsibilities under generally accepted auditing standards; to provide an overview of the planned scope and timing of the audit; as well as discuss any questions or changes. Mr. Vener went on to define the auditors responsibilities stating that the auditor is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of those charged with governance are fairly, in all material respects, in conformity with generally accepted accounting principles.

Mr. Vener continued stating that the audit is designed to form an opinion about the District's financial statements. He noted that Management is then responsible for providing the financial statements to the auditors and to have internal controls over the financial reporting, which includes the Schedule of Expenditures of Federal Awards (SEFA), as well as to designate individual(s) with the skill set to work with the auditors in evaluating the adequacy and results

of the audit. Mr. Vener referred to slide (7) seven of the presentation in which he continued to briefly go over the Management responsibilities. He went on to describe the three (3) components of a New Mexico Audit: (FS) Financial Statement Audit, (A-133) Single Audit where they audit federal awards, and (OSA) the State Auditor Compliance Audit.

Mr. Vener went on to explain how the test work is conducted. He noted that the scope and timing of the project is a little off on the slide, but the auditors would probably be coming in after Labor Day. Mr. Vener went on to the next slide stating that by state law they are required to look at compliance in regards to the Procurement Code, Per Diem and Mileage Act, Personnel Act and State Personnel Administration, Investment of Public Money, and the Public Employees Retirement Act (PERA), etc. He noted that there were about twelve (12) compliance measures that the auditors will test by. Mr. Vener mentioned that there were new standards this year, one being the Auditing Standards Board Clarity Project which is going to affect the auditors more than the District because it is concentrating more on component units such as landfills or housing authorities. Mr. Vener proceeded to explain the new format of the Auditor's report, stating that it is much easier to follow. He noted that it now includes headings and subheadings, MD&A, the Auditor's opinion letter, etc.

Mr. Vener asked if the District wanted to do an MD&A. He noted that it was considered last year, however it was determined that it would be done this year.

Mr. Mortillaro stated that Ms. Aragon noted in the engagement letter that the District did want the Auditors to prepare the MD&A. He then asked Mr. Vener to describe what the MD&A was.

Councilor Rodgers asked what MD&A stood for.

Mr. Vener stated that it was Management Discussion and Analysis. He noted that it comes from management, and that it consists of 2-3 pages that gets management's opinion on what occured during the year, shows comparisons of the current year to the previous year and gives the analysis of why things changed.

Councilor Rodgers asked if that was something that came primarily from management, or if the audit team looked it the report as well.

Mr. Vener stated that management prepares the document, and then the Auditors review it to ensure it is consistent with their understanding. He noted that an example report was sent to the District last year, and he would be happy to work with anyone who'd like to be involved in the MD&A.

Ms. Aragon noted that the Auditor's assist in preparation of the MD&A. She stated that overall the District signs the document, however, the Auditors assist in the Discussion items.

Mr. Vener stated that he would send Ms. Aragon a template of the MD&A. He also noted that it would be a collaborative effort.

Ms. Aragon mentioned that there was not enough time to produce an MD&A last year, and that the District wants to ensure an MD&A is included in this years' audit.

Mr. Mortillaro noted that he understood there were some changes in GASB in regards to pension obligations. He then asked what Mr. Vener's take was in regards to the new requirements.

Mr. Vener stated that he was aware of the new pension requirements and that it was a bit technical. However, the auditors would be receiving some language to insert in the report if necessary. He also noted that the State Auditor's Office typically gives them guidance on this matter.

Ms. Aragon noted that this rule doesn't go into effect until FY 2015.

Mr. Vener stated that it is going to affect PERA directly.

Ms. Aragon asked if the new GASB required the District to show the PERA liabilities in the financial statements.

Mr. Vener stated that he did not believe it was going to filter down to the District's audit, and that it would be a year or two away.

Ms. Aragon stated that she wanted to ensure that the District gathers the information they need to be in compliance.

Mr. Vener noted that the District would eventually receive the data they needed. However, the only two responsibilities the District has is to be aware and to ensure they are comfortable with the information they receive.

[Commissioner Chavez entered the teleconference.]
Mr. Vener asked if there were any more questions in regards to the prior years' findings, etc. He also noted that he had a list of any new or upcoming items with the District.

Mr. Rodgers asked if Mr. Mortillaro could give a briefing in regards to corrective actions from last year's findings.

Mr. Mortillaro stated he did not have those with him.

Ms. Aragon stated that the District had been working on correcting any findings from last year so they do not come up again this year. She also stated that since she has been employed with the District, she has implemented tighter internal controls and new procedures as well. Ms. Aragon also noted that the communication with the auditors has vastly improved from last year.

Mr. Mortillaro asked Mr. Vener if he wanted the District to speak in regards to any particular findings from last year.

Mr. Vener stated that he did not see anything that the District could not overcome or correct. He noted that the District did receive some non-cash Federal expenditures last year, which does affect the schedule of expenditures, however they do want to see the big picture in regards to that.

Mr. Rodgers asked Mr. Mortillaro if he anticipated any repeat findings.

Mr. Mortillaro responded stating that he did not. He stated that things have improved quite a bit since Ms. Aragon has been with the District, and that she really has kept on top of staff in regards to supporting documentation, etc. He also stated that Mr. Lopez has done a great job as well.

Mr. Lopez mentioned that in FY13 there was a big turnover in Finance, and because he was the only one here some things did fall through the cracks. However, part of those audit findings reflected the vacancies.

Ms. Aragon stated that during that time there were some temps coming in and out of the District, so Mr. Lopez was doing what he could. She also mentioned that is the reason why the audit findings are not that significant in terms of correcting them now that Finance is fully staffed. Ms. Aragon also noted that most of the findings were due to turnover.

Mr. Mortillaro mentioned that the State Inspector General's Office was conducting an audit during that time as well.

Mr. Vener asked if there was anything else that needed to be discussed.

Mr. Lopez noted to Mr. Vener that the District has a separate Procurement Policy, so they do not follow the State Procurement Code. He also noted that District has a separate Travel Policy in which the District does not follow the Per Diem and Mileage Act.

Mr. Mortillaro also added that the District has their own separate Personnel Rules and Regulations in which they do not follow the State Personnel Act.

Mr. Vener stated that this was noted so they do not audit incorrectly.

Commissioner Chavez asked what the timeline was and if the audit would go to the full Board for final discussion and approval.

Mr. Mortillaro stated that once the auditors complete the audit an exit conference will be conducted with the auditors and Finance Subcommittee. He also noted that the exit conference is done concurrently with submittal of the audit to the State Auditor's Office. Mr. Mortillaro mentioned that the audit is usually not released until authorized by the State Auditor's Office which is not until January. He also noted at that time the audit will then be presented by Mr. Vener to the full Board and to the public.

Mr. Vener stated that Mr. Mortillaro has captured everything.

Mr. Mortillaro stated that the staff has been working diligently on preparing for the audit, which has been started much earlier than last year.

Ms. Aragon noted that the auditors have provided the District with a list of items that the staff has been working on, as well as entering items into the auditor's portal/system, and staff is still working on tying down the trial balance prior to handing everything over to the auditors.

Ms. Constantin asked how the trial balance was coming along.

Ms. Aragon stated that it was coming along well.

Mr. Vigil asked if the presentation would go to the full board.

Mr. Barrone said it would not, he stated that the entrance and exit conferences would be held with the finance subcommittee and then the audit would be presented to the board in January.

Mr. Mortillaro stated that as a requirement it is mandatory to hold both an audit entrance and exit conference with the Finance Subcommittee.

Mr. Barrone asked if there was a certain area that needs to be looked at further.

There were none.

Mr. Vigil and Mr. Barrone thanked the auditors and staff for their hard work in this matter.

[Mr. Vener and Ms. Constantin exited the teleconference.]

B. Minutes from July 26, 2013

Mr. Mortillaro asked the committee members to review the minutes of the July 26, 2013 meeting.

Mr. Vigil asked if anyone had any changes or amendments to the meeting minutes.

Commissioner Chavez made a motion to approve the minutes from the July 26, 2013 Finance Subcommittee meeting. Councilor Rodgers seconded the motion and it passed by unanimous voice vote.

MATTERS FROM THE SUBCOMMITEE

Mr. Mortillaro stated that the District was looking to distribute technical memos for the service plan prior to the Board packet for the September 6th Board meeting being sent out. He stated that he was trying to get the Board's input so that there is a more complete document.

Commissioner Barrone asked if Mr. Mortillaro was going to set up a meeting with the Mayor of the Town of Taos in regards to the overlap of routing with the Chili Line and the RTD.

Mr. Mortillaro stated that he thought Commissioner Barrone was going to schedule the meeting.

Commissioner Barrone stated that he was, that he had already spoken with the Mayor and that he was working on a date for the meeting.

Mr. Vigil made a motion to adjourn the meeting at 10:03 a.m. Councilor Rodgers seconded the motion and it passed by unanimous voice vote.

ADJOURN – Next Finance Subcommittee meeting will be held on September 27, 2013 at 9:00 AM.

NORTH CENTRAL REGIONAL TRANSIT DISTRICT (NCRTD)
FINANCE SUBCOMMITTEE

September 27, 2013
9:00 a.m. - 11:00 a.m.

Executive Conference Room
1327 N. Riverside Drive
Espanola, NM 87532

AGENDA

CALL TO ORDER: Tim Vigil, Chair

Roll Call:

ITEMS FOR DISCUSSION/RECOMMENDATION

A. **Discussion and Review of FY 2013 End of Year Budget**
Sponsor: Anthony Mortillaro, NCRTD Executive Director and Glenda Aragon, Finance Manager.

B. **Discussion and Review of Investment of District Funds into the Local Short-Term Investment Fund in the State of New Mexico Local Government Investment Pool**
Sponsor: Anthony Mortillaro, NCRTD Executive Director and Glenda Aragon, Finance Manager.

C. **Minutes from August 23, 2013 Meeting**
Draft Minutes

MATTERS FROM THE SUBCOMMITTEE

ADJOURN

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Finance Subcommittee

Meeting September 27, 2013

9:00 a.m.

Board Members Present (Telephonically): *Leandro Cordova (Telephonically) - Taos County, Commissioner Miguel Chavez – Santa Fe County (In Person), Tim Vigil – Pueblo of Pojoaque (In Person), Councilor Geoff Rodgers – Los Alamos County (In Person)*

Staff Present: *Anthony Mortillaro – Executive Director, Glenda Aragon – Finance Manager, Pat Lopez – Finance Analyst, Dalene Lucero – Executive Assistant*

Guest(s) Present*:*

Absent: *Commissioner Barney Trujillo - Rio Arriba County*

Transcribed By: Dalene E. Lucero – Executive Assistant

ROLL CALL

APPROVAL OF AGENDA

A. Discussion and Review of FY 2013 End of Year Budget

Mr. Mortillaro noted that he wanted to bring back a recap of the end of the year FY 2013 budget to the Finance Subcommittee and the Board of Directors. He mentioned that some budget adjustments were made due to decreasing revenues, in which expenditures were also decreased. Mr. Mortillaro stated that he thought it would be good to show how the District did in respect to those targeted goals and how it turned out at the end of the year.

Mr. Mortillaro then turned the presentation over to Ms. Aragon and Mr. Lopez.

Ms. Aragon noted that because Mr. Lopez did most of the heavy lifting on this report, she would like him to present this item further.

Mr. Lopez went on to present the Financial Facts and Projections from January 2012 to June 30, 2013, in which he referenced pages 3 and 5 of the packet. He stated that at Mid-year, the District projected a shortfall of about $262,047 in GRT, however the end of year balance was at about $142,530.

Councilor Rodgers asked if it was covered by reserves.

Mr. Lopez responded stating that the District improved in that they took a very conservative approach that was mainly driven by a decline of GRT revenue generated in Los Alamos County (LAC).

Ms. Aragon noted that the loss of anticipated GRT revenue from previous months led the NCRTD to project a reduction in revenue by 20% for the remainder of the fiscal year. Anticipating a $532,993 deficit from what was budgeted; at year end the LA County deficit was $472,532, a difference of $60,401.

Ms. Aragon went on to mention that the NCRTD also adjusted the following counties projected GRT revenue conservatively as follows: Rio Arriba County – anticipated decrease of 3% or $9,043, actually came in at a higher loss at yearend of $12,801 a difference of $3,758; Santa Fe County – anticipated Increase of +6.5% or $260,837, actually came in higher at year end totaling $301,522 an increase of $40,685; and Taos County – anticipated Increased +5.0% or $19,152, actually came in higher at Year-end totaling $41,281, an increase of $21,130.

Commissioner Chavez noted that GRT funding is always up and down, it is not something that stays consistent, which means you have to be more conservative in your budgeting.

Mr. Mortillaro noted that the $301,522 coming from Santa Fe County does not all go to the District, because 50% off the top of that goes directly to the Railrunner, which increases the District's cost on the expenditure side.

Mr. Cordova mentioned that Taos County has increased from two years ago. He also stated that there was a spike in GRT funding due to the Mumford and Sons concert that was held during the summer months. Mr. Cordova noted that one event in Taos County can really make a difference to GRT, and although it is nice to have, you cannot really budget on that.

Commissioner Chavez stated he would like to use this information in the monthly update to the Santa Fe County Commission, and would like Mr. Eric Aune to include this in his presentation.

Mr. Mortillaro noted that this presentation would be repeated at the NCRTD Board meeting to be held on October 4, 2013.

Mr. Lopez gave further explanation in regards to the FY13 Financial Status Summary. He went on to reference page 5 of the packet to further explain the revenues and expenditures stating that NCRTD received $57,574 in proceeds from the sale of auctioned vehicles, Transit Fares, Bank Interest and Miscellaneous Revenue. Total projected revenue was $44,045. Mr. Lopez noted that it was really difficult to project insurance proceeds, stating that the District did pick up $1,260 at the end of the year.

Mr. Mortillaro mentioned that he preferred not to have any at all because it is usually a loss due to an accident.

Mr. Lopez stated that accidents have really dwindled over the years. He went on to state that the District gained $4,338 in Miscellaneous revenue.

Councilor Rodgers asked why the accidents have dwindled over the years.

Mr. Mortillaro noted that a new Operations Manager has come on board in the last year and a half, and since then the new hire orientations are focused more on safety. He also stated that the District's Risk Management Program is run through the New Mexico Self Insurers Fund of which the District is reliant on them to provide Defensive Driving training and other types of safety related training.

Councilor Rodgers stated that somebody needs to be recognized for a job well done.

Mr. Mortillaro went on to state that the Board would continue to see this first hand in respect to how the District is doing from a Defensive Driving standpoint due to the newly designed performance measure now reflecting the number of miles without an accident; both minor and major. He went on to state that without looking back three years, he did not have a solid answer on how many accidents there were back then, in comparison to how many have occurred now.

Councilor Rodgers noted that when he was a Transportation Manager, he used an accident tracking system to track how accidents occurred and why they occurred. He then asked if the District was doing anything to track accidents at this time.

Mr. Mortillaro stated that the District had not been tracking it until now that Mr. Michael Kelly has been doing since he's come on board.

Mr. Vigil asked if the new AVL software would be able to track these types of things.

Mr. Mortillaro stated that the AVL software doesn't necessarily track the accident, however, whenever there is an accident, there is a camera on board each of the buses in which the footage can be viewed. He noted that speed would be something that could be tracked in AVL.

Further discussion went on in regards to accident tracking.

Mr. Lopez went on to explain the expenditures stating that the Administration Salaries included that of the Executive Director, the Executive Assistant, the Public Information Officer, the Projects and Grants Specialist, etc. He stated that the District was projecting a surplus of $96, 837 due to the vacancy of the Projects Manager, of which the District changed to an HR manager for FY14. Mr. Lopez noted that the projections did not really change throughout the course of the year ending in a balance of $95,553. He continued on to Administration Benefits, stating that a surplus of $42,534 was projected at mid-year, which slightly changed at the end

of the year to $33,086. For Administration Operating costs, a surplus of $128,726 was projected at mid-year and by year end the District had a surplus of $162,436. Mr. Lopez noted that a lot of that was attributable to contractual services such as the service plan which was carried over to the next fiscal year. He moved on stating that the Operations Salaries included that of the Operations Manager, Transit Supervisors, Drivers, Customer Service Reps and Maintenance Staff. Mr. Lopez noted that at mid-year, a surplus of $141,666 was projected and $243,179 was the yearend balance which was due to the vacancy of some positions. He then went on to Operations Benefits, stating that $45,060 was projected at mid-year, whereas the yearend balance was a total of $22,846. The Operations operating cost went down from $53,991 projected at mid-year to $3,339, stating that it was attributable to the janitorial position that was later contracted out. Mr. Lopez stated that the District was projecting to have a deficit of $123,316 in Non-RTD, whereas the yearend balance was a total of $119,554. The Capital outlay was projected at mid-year to be a surplus of $291,213, whereas the yearend balance came out to $264,019, leaving the District with a loss of about $27, 194.

Ms. Aragon noted that the District generated a savings that was $28,310 less, however, the Board had authorized the movement of capital funds for HVAC towards making up the deficient on a bus purchase.

Mr. Lopez went on to mention that the overall total anticipated savings in expenditure cuts were estimated at $676,711 and total Year end actual savings came in at $704,915 a difference of $28,204 more in overall savings. He proceeded to the total revenues and expenditures for the year stating that a total of $458,709 were projected at mid-year, with a yearend balance of $619, 959, and an additional savings of $161,250.

Mr. Lopez proceeded to further explain the Local Share Federal Match Balances, stating that for 5311 there is a 50/50 split for Operations; 50% is Federal Funding and 50% is a local match. He then noted that for Administration there is an 80/20 split; 80% is Federal Funding and 20% is a local match. Mr. Lopez mentioned that for 5316 there is a 50/50 split. Therefore, the balance of $1,800 noted on page 5 of the packet is local match money, however all federal funds were spent entirely. He noted that last year the District spent 99.9% of federal funds. He also stated that out of the 22 entities the New Mexico Department of Transportation allocates to, the NCRTD was ranked number one in not giving up any federal funds.

Further discussion went on regarding this matter.

Mr. Mortillaro concluded the presentation in regards the FY13 Financial Summary.

Councilor Rodgers made a motion to move this on for discussion to the Board at the October 4, 2013 Meeting. Commissioner Chavez seconded the motion and it passed by unanimous voice vote (4-0).

[Mr. Lopez exited the room.]

B. Discussion and Review of Investment of District Funds into the Local Short-Term Investment Fund in the State of New Mexico Local Government Investment Pool

Mr. Mortillaro gave a brief background in regards to the District's current investment funds. He then handed it off to Ms. Aragon for further explanation. She noted that the LGIP was established under NMSA 1978, Section 6-10-10.1. Ms. Aragon continued stating that it is a short term investment fund that consists of governmental entities and Indian tribes or Pueblos.

Mr. Mortillaro noted that the Board's adopted financial policies allow the District to participate in LGIP. However, in order for the District to participate in the investment of funds into the LGIP, it requires the Board to adopt a resolution.

Councilor Rodgers suggested that in order for the District to protect themselves, he noted that it may be good to put a cap on the amount that is invested in the LGIP.

Ms. Aragon agreed.

Ms. Aragon proceeded to reference the District's Investment Policy (page 20) also included in the packet. She then referenced Standard & Poor's Pool Profile in regards to the LGIP (page 26) which was also included in the packet.

Commissioner Chavez noted that it was a good idea to set a parameter in regards to the amount of funds invested into the LGIP.

Mr. Vigil stated that Commissioner Chavez and Councilor Rodgers explained the parameters very well. He also asked what the Rate of Return was on the LGIP.

Mr. Cordova stated that although the LGIP does not tend to pay a lot, it is a very low risk investment.

Further discussion went on regarding this matter.

It was recommended that the Finance Subcommittee recommend that the Board of Directors consider passage of a resolution to apply to Local Government Investment Pool (LGIP) for participation, certifying the Finance Director of the NCRTD, through the Executive Director as authorized signatories to conduct transactions in respect to the LGIP.

The Finance Subcommittee directed staff to do more research of alternative investment options and bring it back at the Finance Subcommittee meeting to discuss the item further.

C. Minutes from August 23, 2013

Mr. Mortillaro asked the committee members if they wished to review the minutes of the August 23, 2013 meeting or wait until the next meeting.

Mr. Vigil asked that the review of the August 23, 2013 meeting minutes be moved to the October 25, 2013 Finance Subcommittee Meeting.

The Finance Subcommittee agreed.

MATTERS FROM THE SUBCOMMITEE

ADJOURN – Next Finance Subcommittee meeting will be held on October 25, 2013 at 9:00 AM.

EXECUTIVE REPORT

October 2013

EXECUTIVE

- Continued discussions and review of Facilities Conceptual and Schematic Design.
- Attended APTA Annual Meeting in Chicago.
- Completed various documents related to Social Security referendum.
- Attended employee training and presentations on Social Security and ICMA RC Money Purchase Pension Plan.
- Discussed employee recognition program with Employee Committee.
- Drafted financial reserve policy and associated spreadsheets and charts.
- Reviewed draft Facilities Maintenance Program.
- Drafted Customer Service Consultant Scope of Services.
- Participated in various kickoff meetings related to implementation of ITS from AVAIL.
- Participated in extensive meetings and discussions with Consultant and Staff on tech memos 4 and 5 related to the service plan update.
- Participated in discussions with drivers and staff regarding recommended route modifications.
- Meet with Attorney and Staff regarding various IPRA requests and associated documents.
- Attended NMPTA Executive Board meeting.
- Attended Rio Metro RTD Board meeting.
- Participated in teleconference regarding audit issues.
- Prepared Board and Finance Subcommittee meeting materials.
- Met weekly with Board Chair Barrone on various issues.
- Continued review, revision and creation of various NCRTD policies.
- Maintained continuous communication with board members, subcommittee members, and Chair.
- Attendance at various NCRTD staff and subcommittee meetings, including Board, Finance and Tribal subcommittees meeting.
- Addressed a variety of employee human resources issues and prepared memorandums to document district actions.

MARKETING/PUBLIC INFORMATION

- Talked with the Santa Fe New Mexican to provide update on status of Ski Santa Fe regarding City of Santa Fe request for service.
- Began development of a program that will provide sign-up opportunities for email and text rider alerts through the website.
- Attended the NMPTA Marketing Workshop in Santa Fe on October 15.
- Met with designers at State Printing to discuss updates to the NCRTD Route Map.

- Met with Jan Montoya, ad sales rep for LA Monitor to discuss calendar 2014 advertising.
- Attended the New Mexico Broadcaster's Association PIO Roundtable at the FBI Headquarters in Albuquerque.
- Participated in Service Memo Technical Review Meeting with Ken Hosen of KFH Group.
- Participated in meetings with AVAIL Technologies as introduction to AVL, week of October 28.
- Continued work on the 2013 Annual Report. Completed articles and delivered to designer for layout
- Provided various updates to ncrtd.org throughout the month.
- Wrote and disseminated rider alert and press release regarding the Columbus Day closure.
- Bus wraps were installed on Riverside 2 (Espanola Tire Factory), Questa and Westside Espanola (Santa Fe County Hero's program).
- Santa Fe New Mexican ran ads on October 16 and 18.
- KDCE – 950 AM radio in Espanola, :30 sec radio spot and sponsorship of the 7:30 AM news ran 17 days in October excluding Saturdays and Sundays .
- KSWV 810-AM in Santa Fe, :30 sec spot ran 20 times in October as well as 30 :20 sec promos announcing RTD sponsorship of the NM Trivia question of the day during the 7:30 AM ½ hour.
- KTAOS 101.9 FM in Taos, 14 :30 sec radio spots ran each week in October.
- Two ads ran in October in the Rio Grande Sun, Los Alamos Monitor and the Taos News.
- Green Fire Times – no ad in the October issue, updated carbon reduction numbers and miles removed from State roads and highways for November ad.
- Chama Valley Times ¼ page ad ran in October issue.

SERVICE DEVELOPMENT

- September 5311 Ridership Report
- Participated in the Employee Recognition Committee
- Conference call with Huitt-Zollars regarding the Maintenance Facility Design
- Continued contact with Sipapu Ski and Summer Resort to further explore route expansion request to serve the Sipapu area
- Working with Erick Aune and Santa Fe County to implement a bus stop on Highway 14 at the Turquoise Trail Fire Station
- Collaborating with Ohkay Owingeh to determine best location for alternate bus stop and shelter at Ohkay Owingeh Resort and Casino
- Ride along on the Peñasco route, assessed route
- Conference call with Avail to establish Discovery week timeline, initial meet and greet and needs discussion
- Collaborated with Town of Taos/Chile Line, began discussion of improving service and improving connectivity
- Assisted Operations by being part of driver interview panel

- Assisted Finance in creating a Transportation Alternatives Program (TAP) budget amendment item to incorporate recently awarded funding
- Provided project quarterly reports to NMDOT regarding Avail/ITS, KFH Group/Service Plan Update, and Huitt-Zollars/ Maintenance Facility Conceptual Design
- Attended Social Security and ICMA presentations regarding retirement

OPERATIONS

- Recruiting and interviewing training new drivers;
- Working on sustainability plan for the District;
- Work on Transit Plan with Ken Hosen KFH Group;
- Work with Avail Technologies and NCRTD staff on the Intelligent Transportation Systems implementation process.

Performance Measures

for

Fiscal Year 2014

September 2013

Performance Measures for Fiscal Year 2014

The performance measures that were developed are designed to provide data that can be evaluated in a logical manner. It allows the District to identify areas in which its performance may need to be improved and to understand the characteristics and factors that impact that performance. In addition, to the extent feasible a peer comparison or a benchmark has been included as available or appropriate. This performance data is important since many times the District's costs, efficiencies and productivity is not measured against any benchmark or standard or attempts are made to compare it against systems that bear no similarities in mission, complexity or service area. Therefore, the data presented should provide some context in which to assess the District and its efforts to deliver services based upon its mission, goals and objectives."
The report data collected is grouped into 3 areas: Administrative, Fleet and Customer Related:

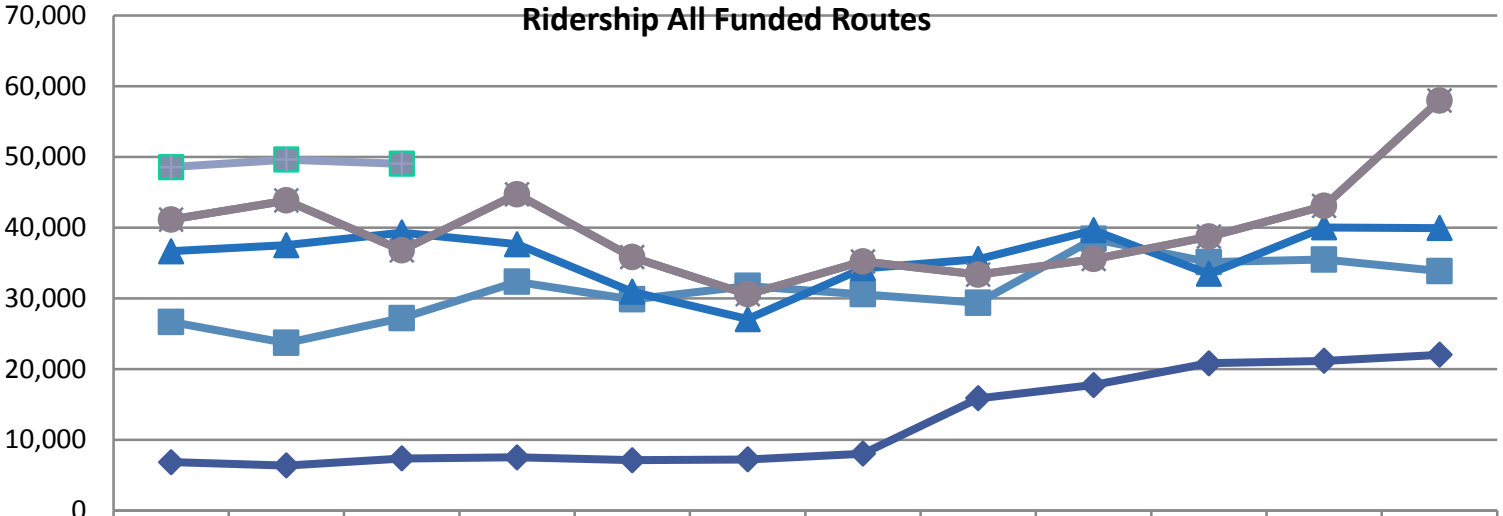
1. **Administrative:**
   - **A. Ridership, All Funded Routes**
   - **B. Ridership, NCRTD Operated Routes**
   - **C. Monthly Expenditures**
   - **D. Cost Per Mile**
   - **E. Cost Per Trip**
2. **Fleet:**
   - **A. Vehicle Back Up Ratio**
   - **B. Average Vehicle Age**
   - **C. Percentage of "On-Time" PM / Inspections**
   - **C. Accidents, Major/Minor Tracking**
3. **Customer Relations:**
   - **A. Complaints**
   - **B. Incidents**

The In-state/local comparable is Sandoval/Valencia Counties which are operated by the Rio Metro Regional Transit District. This benchmark/peer entity was chosen since they are within New Mexico and somewhat similar to rural transit service. The FTA benchmarking data used originates from the Rural Transit Fact Book 2013. The data is for 2011 in FTA Region 6, rural providers which includes New Mexico, Texas, Oklahoma, Arkansas and Louisiana.

Performance Measure - Administrative:

Ridership Tracking of All NCRTD Funded Routes

Tracking ridership is the #1 way a public transportation agency can gauge its effectiveness of the service it provides. Ridership data for all routes funded by the NCRTD are collected by City of Santa Fe and Los Alamos County. This data is forwarded and combined with the data from the District's operated routes. These numbers are then compiled into a monthly ridership report. This measurement tracks the number of one way trips taken on all the routes within the district. This graph shows the NCRTD combined total ridership numbers, and compares them each month, identifying any increases or decreases in the number of monthly trips. This also indicates how well the regional district is continuing to address the issue of accessible mobility by routes that are in areas where there is public demand. Sandoval/Valencia counties are used local/in-state comparison benchmark, as they are similar in service but smaller in size: a two county service of the Rio Metro Transit District.

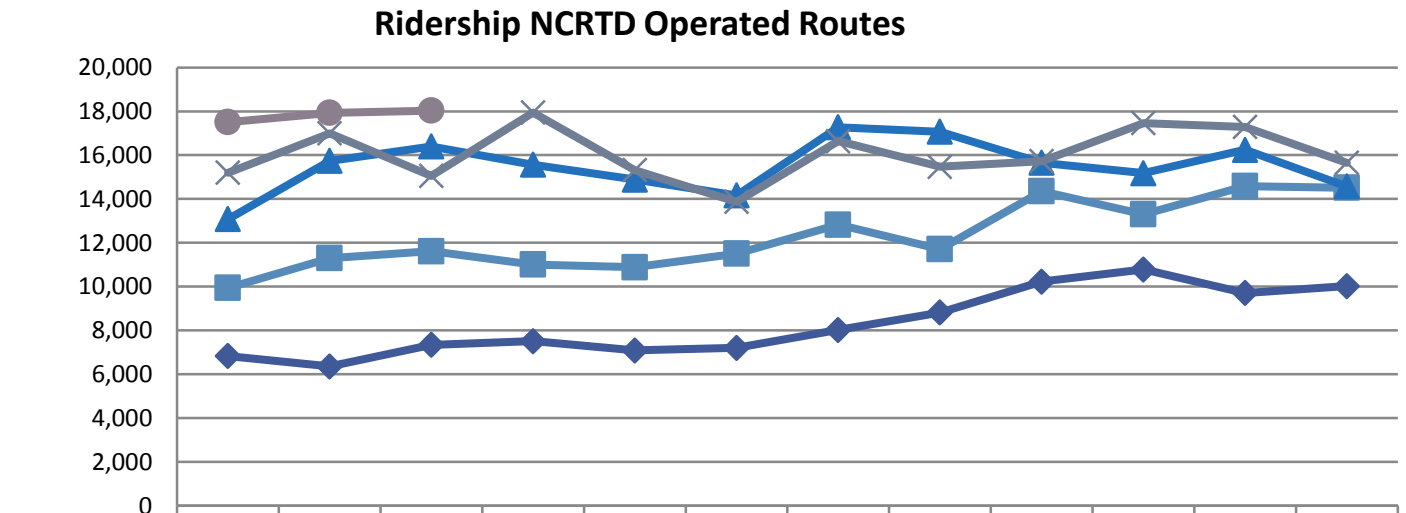


	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
FY 09-10	6,830	6,359	7,342	7,514	7,091	7,208	8,026	15,858	17,731	20,820	21,152	22,011
FY 10-11	26,655	23,679	27,202	32,325	29,835	31,743	30,570	29,368	38,395	35,114	35,480	33,845
FY 11-12	36,666	37,522	39,298	37,650	30,923	27,051	34,236	35,541	39,611	33,474	40,027	39,942
FY 12-13	41,135	43,836	36,784	44,720	35,825	30,576	35,214	33,352	35,549	38,724	43,060	57,985
FY 12-13	41,135	43,836	36,784	44,720	35,825	30,576	35,214	33,352	35,549	38,724	43,060	57,985
FY 13-14	48,552	49,624	49,034									

Performance Measure - Administrative:

Ridership Tracking of NCRTD Operated Routes

This ridership data is collected by the NCRTD drivers for all routes operated by the District. This includes 20 fixed and commuter routes as well as the demand response routes. Totaling the number of one way trips on NCRTD routes, allows staff to evaluate effectiveness and to ensure that the service is reaching areas in the district that have high demand for accessible mobility. Sandoval/Valencia counties were selected as a local/in-state comparison benchmark.

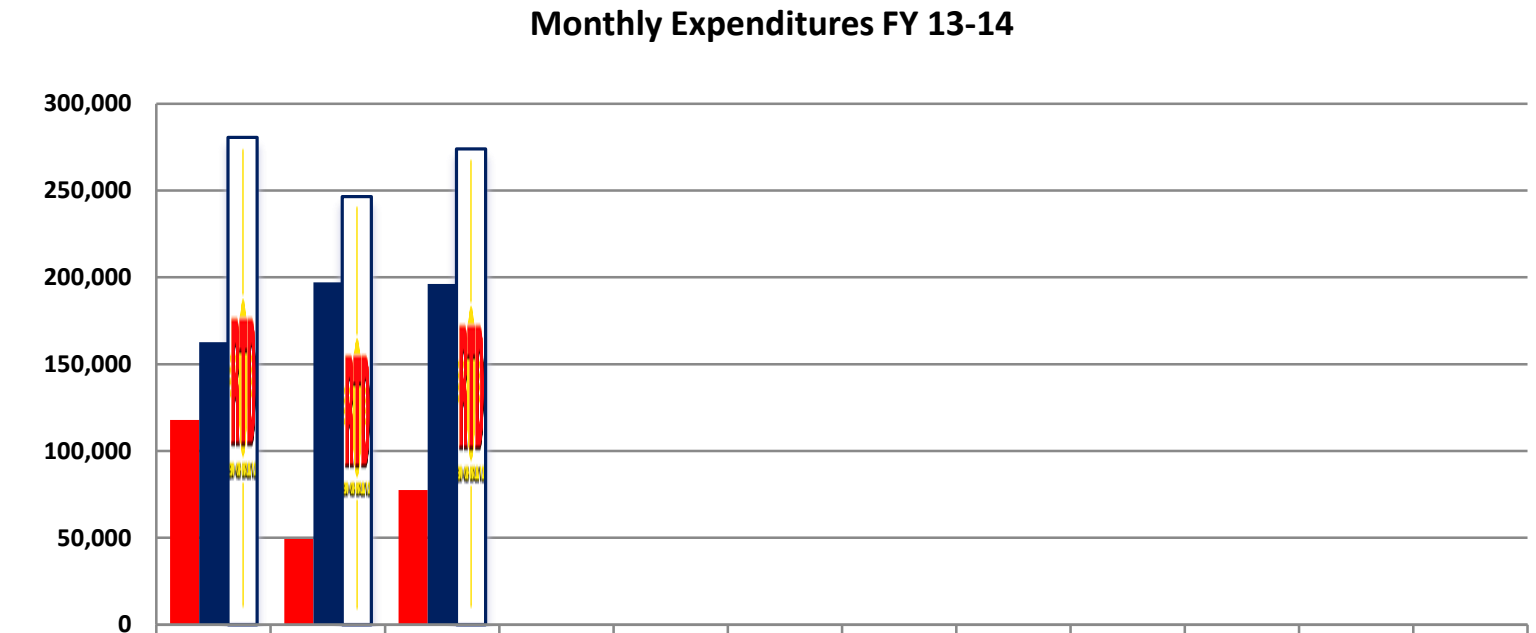


	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
FY 09-10	6,830	6,359	7,342	7,514	7,091	7,208	8,026	8,817	10,230	10,782	9,712	10,022
FY 10-11	9,942	11,300	11,614	11,011	10,885	11,504	12,824	11,709	14,356	13,299	14,586	14,516
FY 11-12	13,081	15,739	16,397	15,567	14,886	14,167	17,274	17,071	15,650	15,178	16,244	14,573
FY 12-13	15,200	16,995	15,052	17,943	15,317	13,872	16,642	15,471	15,729	17,465	17,285	15,653
FY 13-14	17,504	17,934	18,033									

Performance Measure - Administrative:

Monthly Expenditures for Administrative and Operating

The NCRTD's Finance Department provides the administrative and operating expenses in a monthly budget status report. It is important to measure the expenditures to maintain a balanced budget, as well as tracking the administrative and operating margins. This data is used in determining the cost per trip and the cost per mile. Tracking the budget and monitoring operational costs allows management to target specific dollar amounts when creating future budgets and requesting federal funding from the NM Department of Transportation.

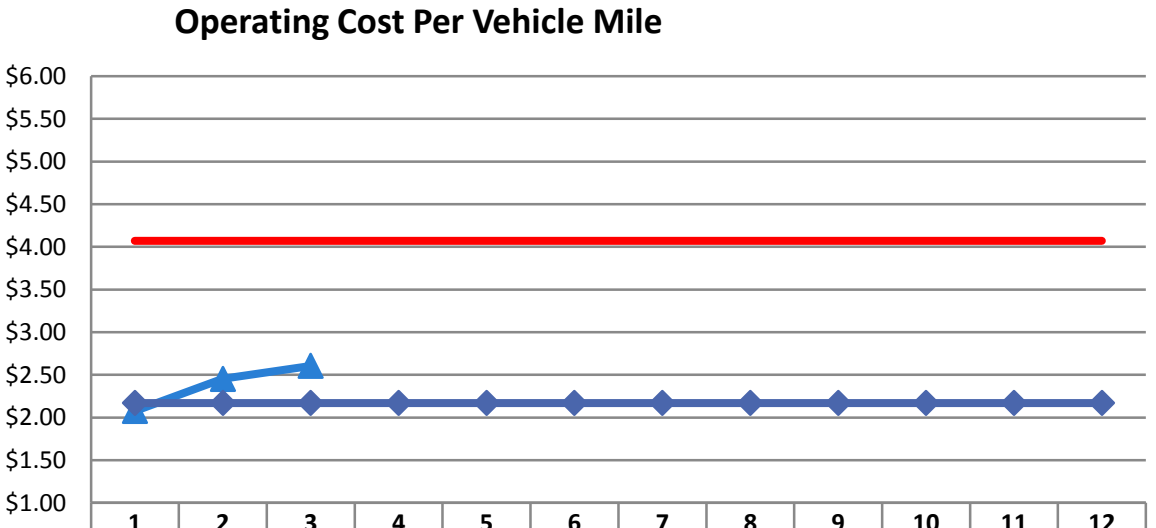


	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
Admin	$117,982	$49,385	$77,618									
Operating	$162,636	$197,128	$196,257									
Total	$280,618	$246,513	$273,875	$0	$0	$0	$0	$0	$0	$0	$0	$0

Performance Measure - Administrative:

Operational Cost per Vehicle Mile

Cost per vehicle mile is the total operating costs per month in relation to the total vehicle miles per month traveled on NCRTD routes. The mileage data is logged daily for each route and compiled into a monthly report. Monthly operating costs are obtained from the Monthly Expenditures (chart above) and the number of miles travelled for NCRTD operated routes. As a cost efficiency measure, operating costs per vehicle mile assesses the financial resources needed for the District's route operations. This measurement is a beneficial tool for the planning and operation's departments. The NM Department of Transportation uses this as one of their performance measures in the state-wide transit guide published annually. Additionally this is used when NMDOT evaluates a transit system for the state-wide awards of 5311 funding. This is a management tool to track our cost per mile vs. the amount of budget being spent to operate a particular route as well as collectively for all routes. Sandoval and Valencia counties' annual average are used as a local/in state comparable benchmark, even though their system is smaller than NCRTD. Data from the 2013 Rural Transit Data Fact Book, specifically FTA's District 6 (our district) annual cost per mile is included as a benchmark.

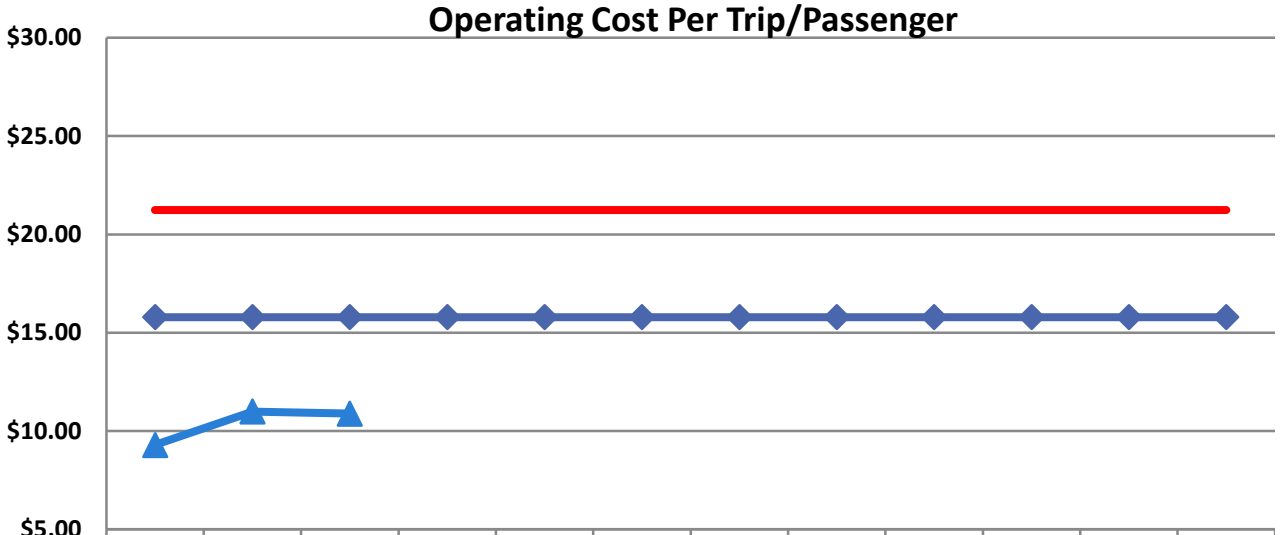


	1	2	3	4	5	6	7	8	9	10	11	12
Monthly Cost per Mile	$2.08	$2.45	$2.60									
Sandoval/Valencia	$4.07	$4.07	$4.07	$4.07	$4.07	$4.07	$4.07	$4.07	$4.07	$4.07	$4.07	$4.07
Region 6 Total Cost Per Mile	$2.17	$2.17	$2.17	$2.17	$2.17	$2.17	$2.17	$2.17	$2.17	$2.17	$2.17	$2.17

Performance Measure - Administrative:

Operating Cost per Trip

When transit data is collected, passengers, riders and rides are counted and referred to as “trips.” One passenger can generate several trips in a day, and these are counted individually. Example, a particular rider may board in Questa (1 trip) and transfer to the Taos to Espanola bus (1 trip) and again transfer to the Santa Fe bus in Espanola (1 trip) for a total of three trips. The cost per trip is computed on a monthly basis by dividing the monthly operating costs from the Monthly Expenditures (chart above), by the total monthly number of trips (ridership). NM Department of Transportation uses this as one of their performance measures to the state-wide transit guide published annually. Additionally this is used when NMDOT evaluates a transit system for the state-wide awards of 5311 funding. This is a management tool to track our cost per trip vs. the amount of budget being spent to operate a particular route as well as collectively for all routes. Sandoval and Valencia counties’ annual average are used as a local/in state comparable benchmark, even though their system is smaller than the NCRTD. Data from the 2013 Rural Transit Data Fact Book, specifically FTA’s District 6 (our district) annual cost per trip is included as a benchmark.

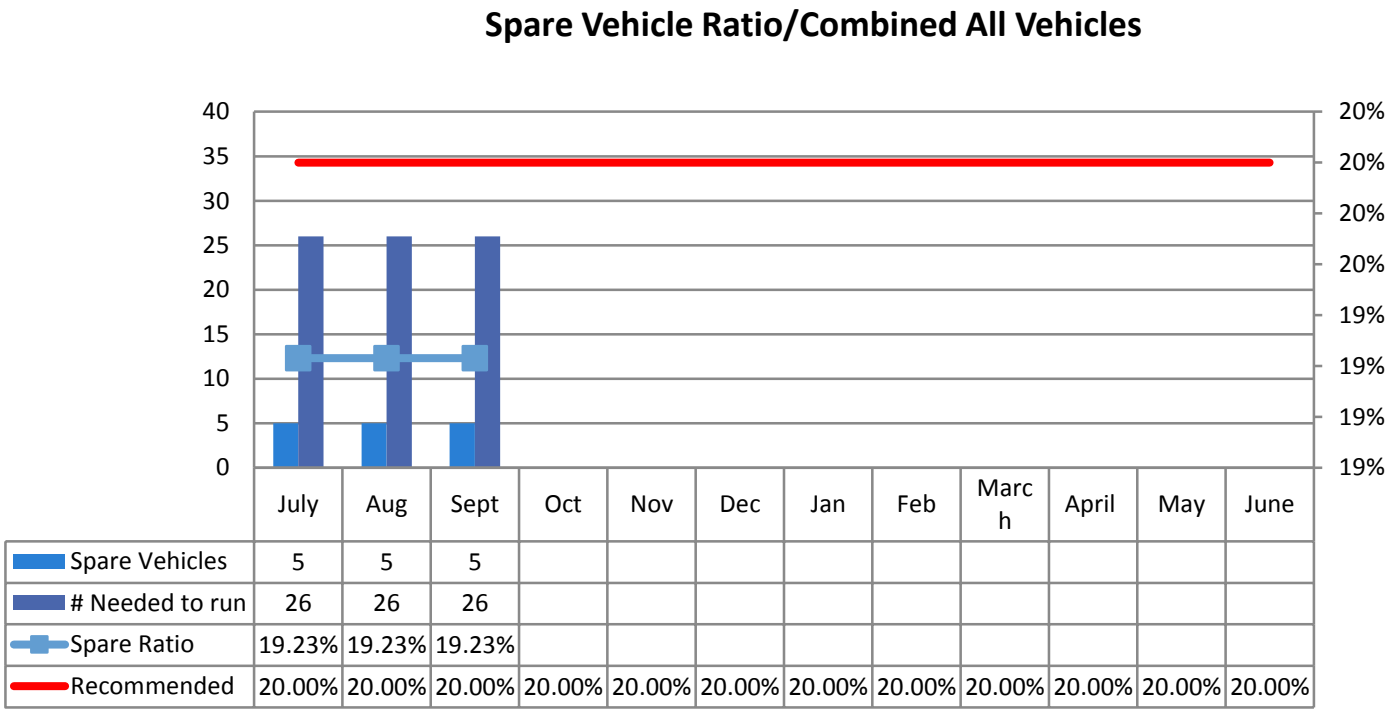


	1	2	3	4	5	6	7	8	9	10	11	12
Monthly Cost per Trip	$9.29	$10.99	$10.88									
Sandoval/Valencia	$21.24	$21.24	$21.24	$21.24	$21.24	$21.24	$21.24	$21.24	$21.24	$21.24	$21.24	$21.24
Region 6 Total Cost Per Trip	$15.79	$15.79	$15.79	$15.79	$15.79	$15.79	$15.79	$15.79	$15.79	$15.79	$15.79	$15.79

Performance Measure - Fleet:

Spare Vehicle Ratio/Combined all Vehicles

FTA defines the spare ratio as the percentage of spare vehicles in comparison to the number of vehicles required for annual maximum service. Recommended FTA spare vehicle ratio is 20% for fleets over 50 vehicles. NCRTD's fleet totals 35 and is exempt from this guideline but it is a good benchmark to keep in place. With an annual maximum service of 27 and a backup fleet of 8, the backup ratio is 30%. This higher number is needed and reasonable due to the variety of passenger seating requirements for specific routes throughout the District. These backup vehicles ensure consistent coverage of all routes when vehicles are off line due to routine maintenance or unexpected breakdowns.

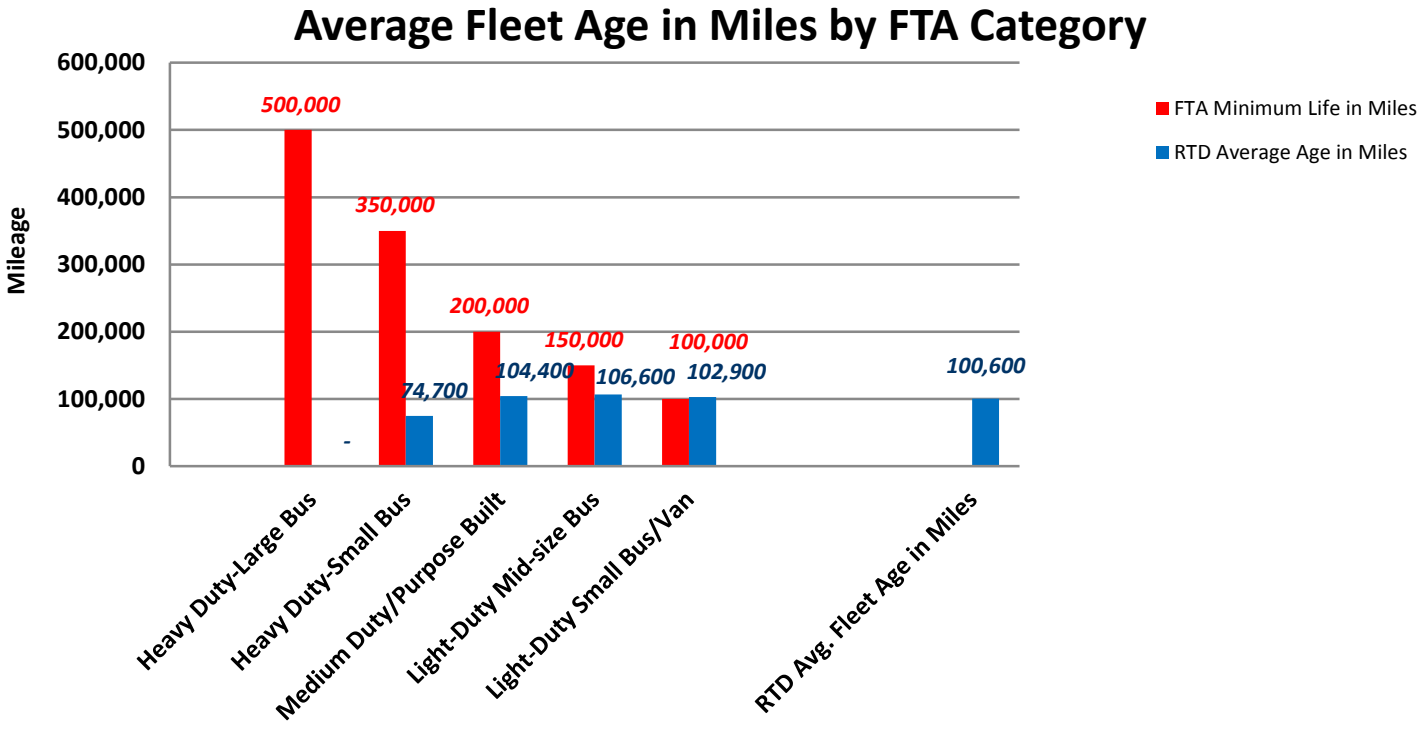


	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
Spare Vehicles	5	5	5									
# Needed to run	26	26	26									
Spare Ratio	19.23%	19.23%	19.23%									
Recommended	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%

Performance Measure - Fleet:

Average Fleet Age

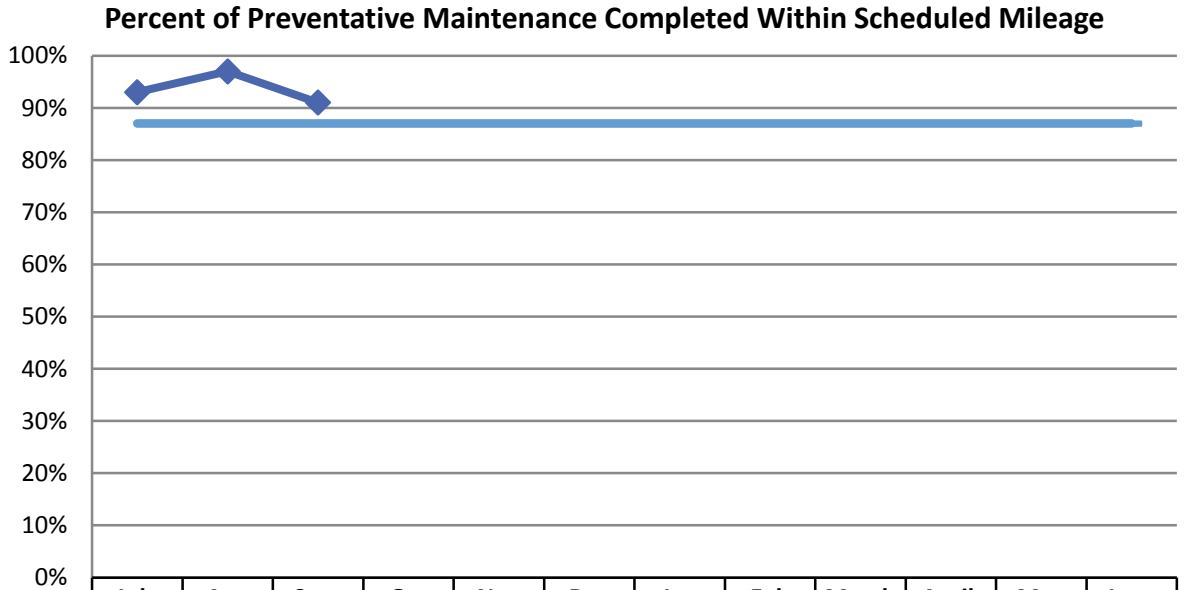
The FTA allows the use of years or mileage to attain usable life. The District uses mileage rather than the year of manufacture because of the large area of the district and the high number of miles traveled on an annual basis. This compares the age of specific kind of vehicles by mileage in accordance to the FTA guidelines. This is useful in fleet replacement planning. The numbers will vary month to month as mileages increase and old vehicles are replaced by new.



Performance Measure - Fleet:

Percentage of "On-Time" PM / Inspections

The federal benchmark for the percentage of "on-time" preventative maintenance (PMs) and inspections for the fleet is 87%. Inspections are required to be conducted within certain mileage timeframe by vehicle manufacturers for the various sizes of vehicles. Manufacturer's recommended maintenance schedules may range in mileage due to the component makeup of a particular vehicle. The FTA recommends they be conducted within the manufacturer's recommended maintenance schedule. However, as a sub recipient of NMDOT we are allowed varied standards as approved by NMDOT. With the variety of sizes and component makeup of District vehicles, we have determined and hold to a standard of 5000 mile intervals for the entire fleet. This ensures frequent safety inspections and PM services at reasonable intervals that result in a more dependable and safer fleet. This data is collected and tracked by the Fleet Maintenance Manager.



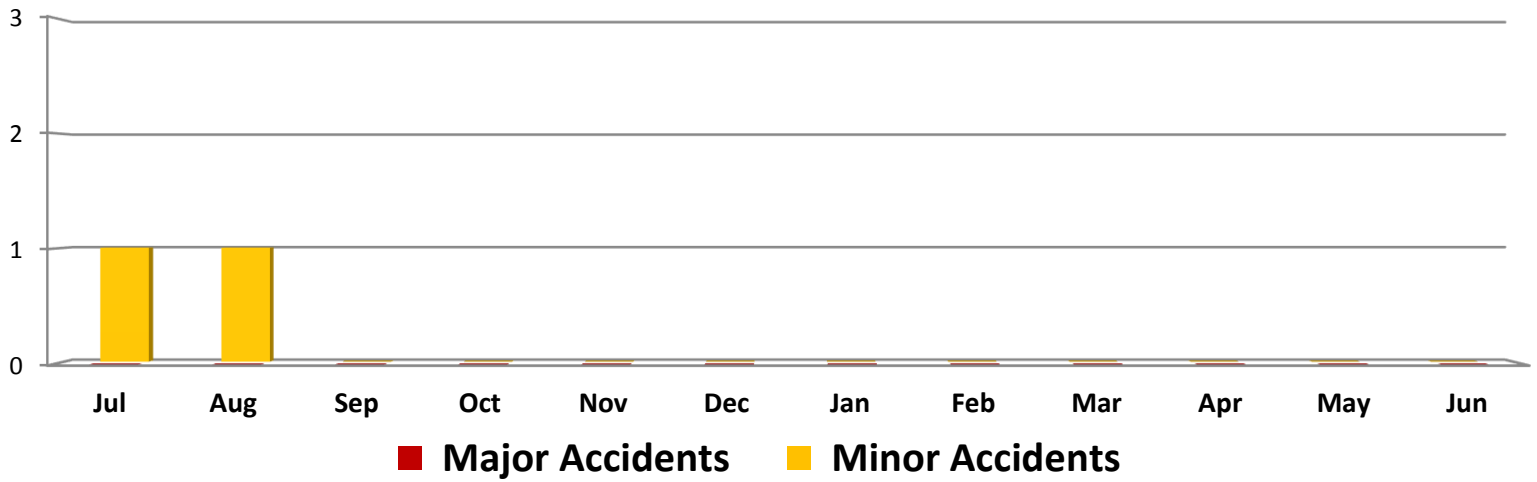
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
FY 13-14 RTD Maintenance	93	97	91									
FTA Recommendation	87	87	87	87	87	87	87	87	87	87	87	87

Performance Measure - Fleet:

Accidents per Month

This measurement shows us how many accidents occur within a month and to what frequency they occur. These are logged as minor or major accidents. A minor accident for example, is one where a driver hits a stationary object while backing but there is minimal damage. A major accident is one where there may be significant damage and/or injury, and a FTA Post accident drug screen is required. All accidents are reported to the Operations and Maintenance Manager to decide on what corrective action needs to be taken. There are established internal reporting and follow up procedures. All accidents, major or minor, are investigated and documented, and dealt with accordingly by the operations management team. As a result, disciplinary measures and/or driver re-training may be required by the outcome of the investigation.

Number of Major/Minor Accidents per 84,840 Miles Avg. Driven Monthly



Last Minor Accident - August 20, 2013	**Miles Driven since last Minor Accident - 121,200**
Last Major Accident - January 23, 2013	**Miles Driven since last Major Accident - 765,003**

Performance Measure – Customer Relations:

Complaints per Month

This performance tracks monthly the number and type of complaints received by the Operations Division of the NCRTD. The complaints are received by the Operations and Maintenance Manager. These are categorize by the type of complaint, and evaluated as to the seriousness of the complaint and whether or not a course of action needs to be taken, i.e. driver reprimand, driver retraining, vehicle maintenance, etc. This measure is intended to measure the percentage of complaints versus the total ridership for the month. Driver performance can be graded and we can see if more drivers training needs to be scheduled for particular drivers. Customers also have complained about routes, stops, dispatch, bus cleanliness and other various categories.

1. A passenger on the La Trampas bus called complaining of another passenger who has very bad hygiene and stinks./ a supervisor would try to make contact with him the next time he rides.
2. Driver on Las Trampas route reported passengers complaints of other passenger (listed above) with poor hygiene/driver to let supervisor know next time he rides in order to make contact with him.
3. A motorist called to complain of a blue bus pulling out in front of them at Taos./Reviewed videos of buses at the time and could not verify complaint.
4. Passenger complained that Questa bus is always late/spoke with driver to verify and make corrective measures.
5. A demand passenger complained of being told they lived outside the service area and were denied a ride./tried returning call at 2 different times with no contact with passenger.
6. A passenger called complaining that the Santa Clara drivers have been rude, speeding late and one day did not stop at the Indian School, leaving passengers stranded in Santa Fe./ Took immediate corrective actions with drivers and constituents. Also took appropriate disciplinary actions where necessary.
7. Demand Passenger complained that driver was speeding./Appropriate actions taken with driver.
8. A passenger complained they were left in Eldorado./ took corrective appropriate measures with driver.

Performance Measure – Customer Relations:

FY 13-14 Number of Customer Incidents						
	Total	Driver-Non Rider	Rider-Rider	Driver-Rider	Rider	% of Ridership
July	9	1		8		0.05%
Aug	5			4	1	0.03%
Sept	8	2		6		0.04%
Oct	0					
Nov	0					
Dec	0					
Jan	0					
Feb	0					
March	0					
April	0					
May	0					
June	0					
Total	22	3	0	18	1	

Performance Measure – Customer Relations:

Customer Incidents

This performance measure calculates the number of customer incidents reported to the Operations and Maintenance Manager on a monthly basis. Customer incidents are any serious occurrence that may have an outcome that could be potentially hazardous to the driver or other passengers. These situations could be anything such as two passengers arguing over something, or a rider threatening a driver, or a non rider harassing a driver for not being on time. It could also be a passenger falling down on the bus, or a passenger stepping in front of the bus as it pulls away from the curb to stop it to get on the bus. This data is collected by the driver writing an incident report and turning it in to the Operations and Maintenance Manager. This is intended to measure the types of situations that arise and how frequently they arise on the various routes of service provided by the NCRTD. This measurement tells us the frequency of incidents versus the number of monthly riders. We can then see if additional training needs to be implemented for the driver to avoid or control incidents that may occur on his route.

1. A passenger demanded to be let off the Taos bus immediately in order to return to Espanola upon receiving a phone call that his grandmother died. Driver let him off at the nearest safe place..
2. A girl on Riverside using bad language was warned by driver to stop. She did but started again and was let off at the Tire Factory stop.
3. A passenger named Joseph seemed very upset and was talking very loud on his cell phone. The driver had to warn him twice to quiet down. His conversation sounded like he was complaining of the bus service and about the buses not stopping and waiting at the stops.
4. Driver had to avoid an oncoming speeding jeep in her lane at the Truchas intersection. After turning the corner there was a bicyclist who appeared to have been hit by a vehicle (hit and run). She called it in and described the vehicle. It was later learned that aid law enforcement was able to apprehend the individual based on that information, Great work new driver Julie Martinez!
5. Driver denied a ride to two individuals. One was intoxicated to the point the other had to hold him up as he could not stand nor walk.
6. Riverside driver a female passenger were warned to put head phones on because their music was too loud. They then complained they missed the Santa Fe bus at Ohkay stop. Driver communicated the Santa Fe bus would wait at Park and Ride for them. Female passenger used very abusive language towards her as she exited at Park and Ride.
7. Driver denied ride to female individual on Riverside route who had used abusive language towards her the previous day. This was due to the passenger missing her connection to the Santa Fe route the previous day. Driver was directed to follow the rider suspension policy and to work with supervisor when suspending a passenger for the entire day or beyond.
8. A lady called and reported her son was assaulted on the Riverside bus and was missing. The review of the security video revealed no such rider having the son's description riding the bus.

Performance Measure – Customer Relations:

FY 13-14 Number of Customer Incidents						
	Total	Driver-Non Rider	Rider-Rider	Driver-Rider	Rider	% of Ridership
July	9	1		8		0.05%
Aug	5			4	1	0.03%
Sept	8	2		6		0.04%
Oct	0					
Nov	0					
Dec	0					
Jan	0					
Feb	0					
March	0					
April	0					
May	0					
June	0					
Total	22	3	0	18	1	

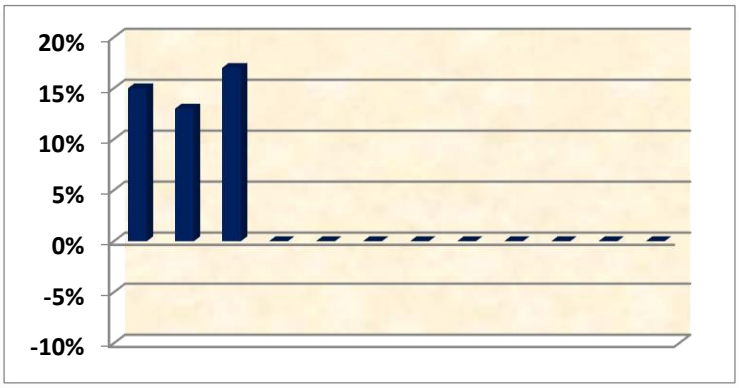
NCRTD Monthly Ridership Summary

September 1, 2013 thru September 30, 2013

Calendar Operating Days

	This Year
Jul-13	21
Aug-13	22
Sep-13	20
Oct-13	
Nov-13	
Dec-13	
Jan-14	
Feb-14	
Mar-14	
Apr-14	
May-14	
Jun-14	

Total Ridership YTD % Change



Monthly System Totals

	This Year	Last Year	Difference	%Change
NCRTD Operated	18,033	15,052	2,981	17%
NCRTD Funded	31,001	21,732	9,269	30%
All Systems Funded Total	49,034	36,784	12,250	25%

Year to Date Totals

	This Year	Last Year	Difference	%Change
NCRTD Operated	53,471	47,247	6,224	**12%**
NCRTD Funded	93,739	74,508	19,231	**21%**
All Systems Funded Total	147,210	121,755	25,455	17%

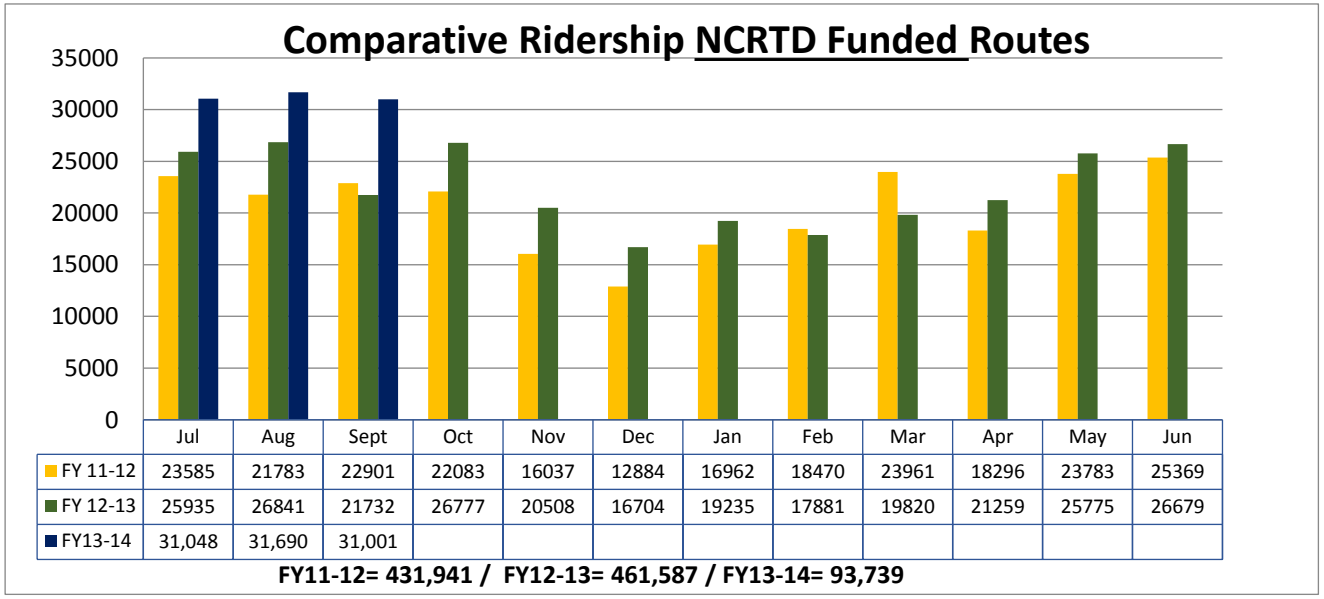
System Daily Averages

	This Year	Last Year	Difference	% Change
NCRTD Operated	902	792	110	12%
NCRTD Funded	1,550	1,144	406	26%
Systems Total	2452	1936	516	21%

Total Ridership YTD % Change

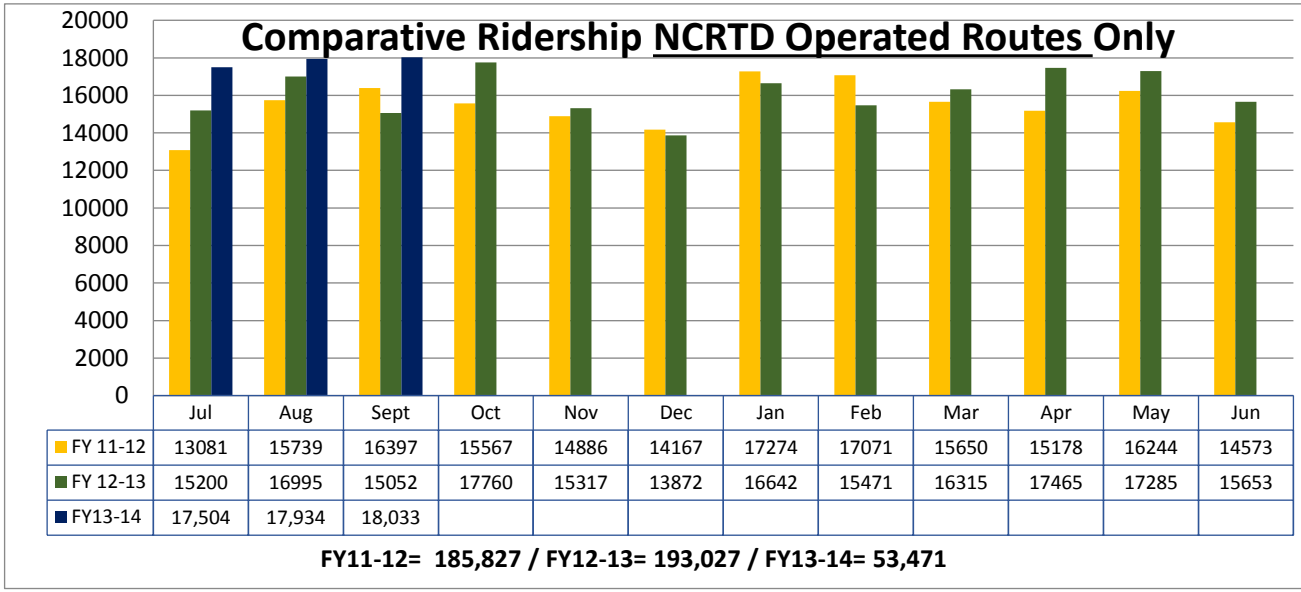
July-13	15%
August-13	13%
September-13	17%

Sep-2013
Ridership Report



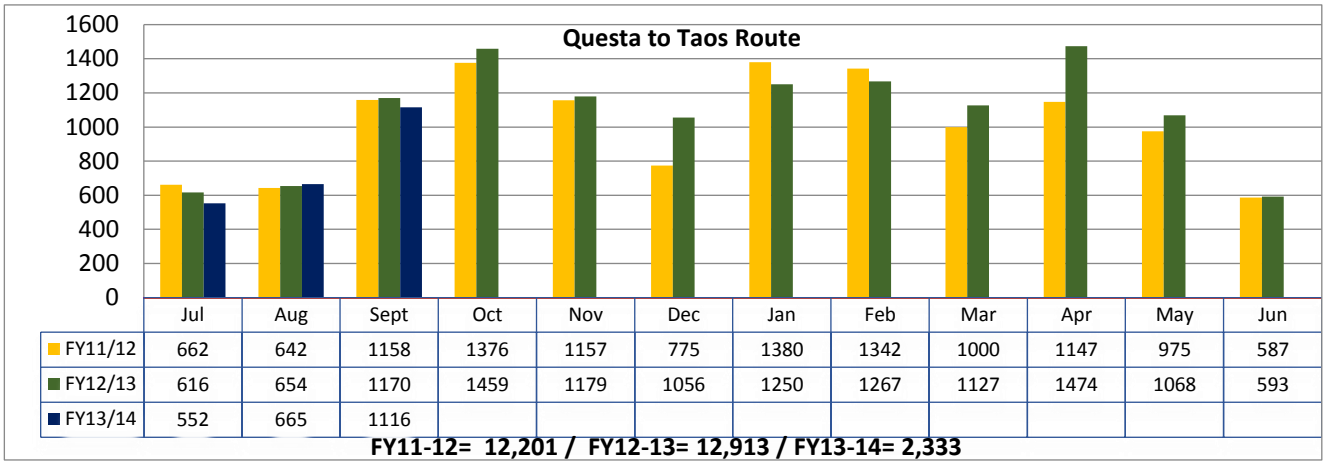
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 11-12	23585	21783	22901	22083	16037	12884	16962	18470	23961	18296	23783	25369
FY 12-13	25935	26841	21732	26777	20508	16704	19235	17881	19820	21259	25775	26679
FY13-14	31,048	31,690	31,001									

FY11-12= 431,941 / FY12-13= 461,587 / FY13-14= 93,739



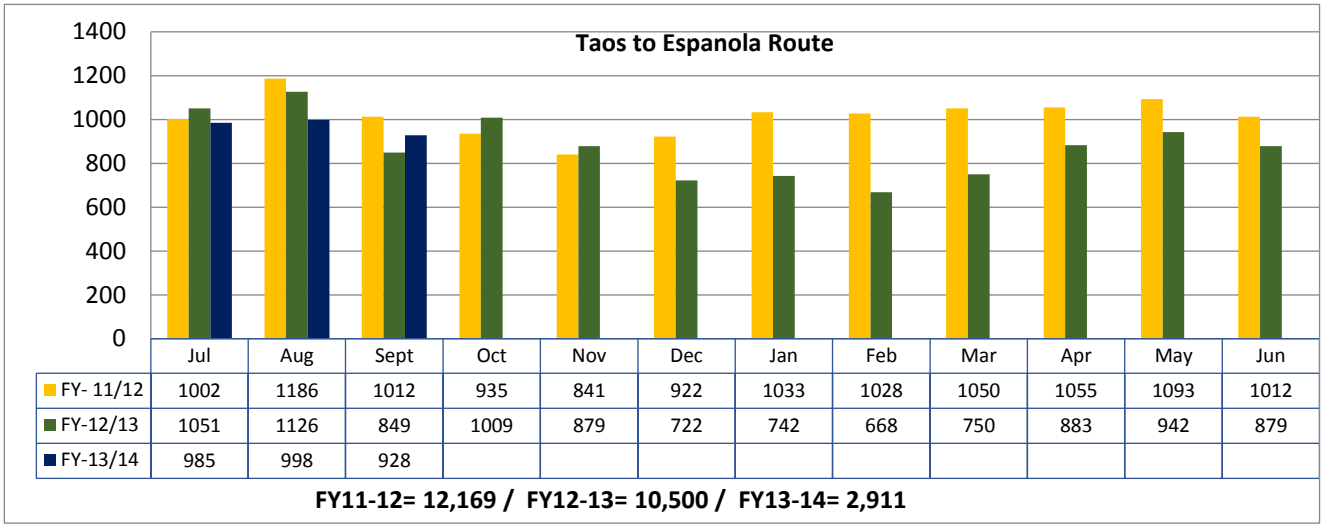
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 11-12	13081	15739	16397	15567	14886	14167	17274	17071	15650	15178	16244	14573
FY 12-13	15200	16995	15052	17760	15317	13872	16642	15471	16315	17465	17285	15653
FY13-14	17,504	17,934	18,033									

FY11-12= 185,827 / FY12-13= 193,027 / FY13-14= 53,471



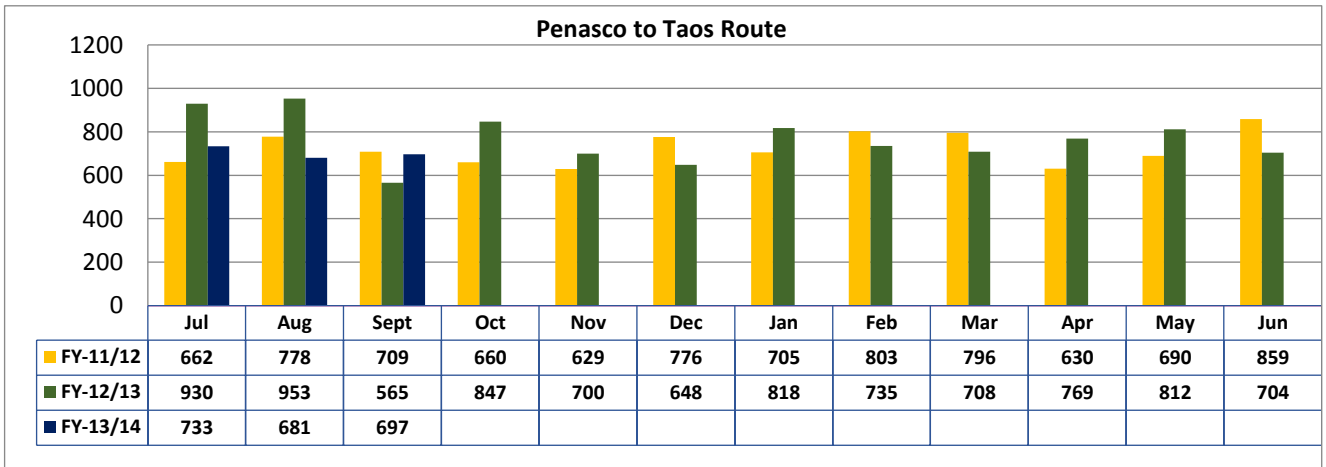
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY11/12	662	642	1158	1376	1157	775	1380	1342	1000	1147	975	587
FY12/13	616	654	1170	1459	1179	1056	1250	1267	1127	1474	1068	593
FY13/14	552	665	1116									

FY11-12= 12,201 / FY12-13= 12,913 / FY13-14= 2,333



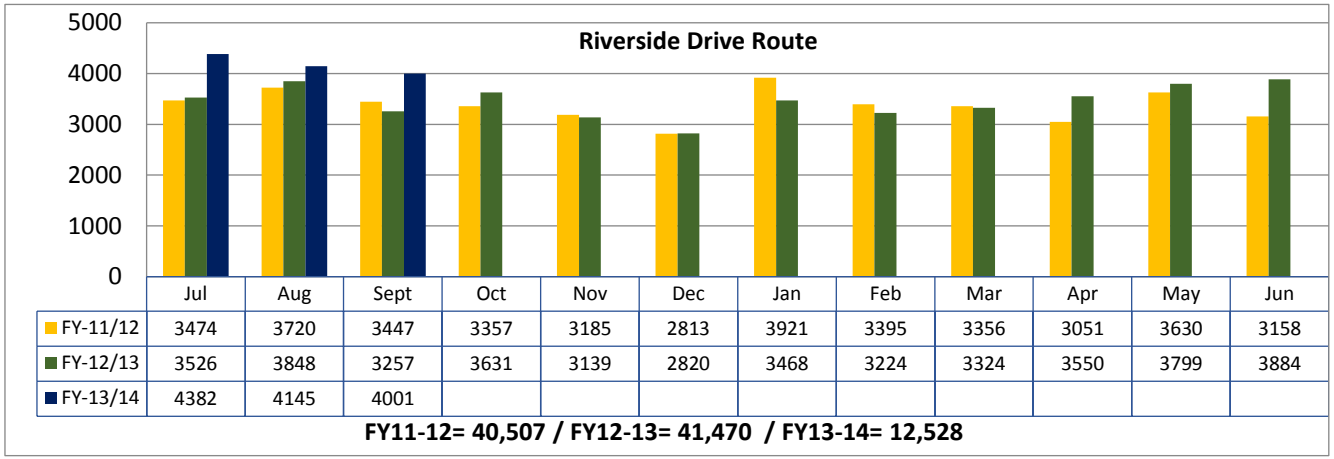
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY- 11/12	1002	1186	1012	935	841	922	1033	1028	1050	1055	1093	1012
FY-12/13	1051	1126	849	1009	879	722	742	668	750	883	942	879
FY-13/14	985	998	928									

FY11-12= 12,169 / FY12-13= 10,500 / FY13-14= 2,911



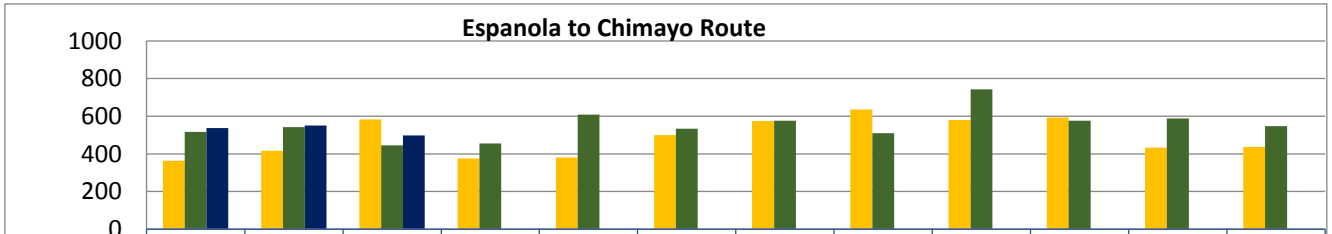
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	662	778	709	660	629	776	705	803	796	630	690	859
FY-12/13	930	953	565	847	700	648	818	735	708	769	812	704
FY-13/14	733	681	697									

FY11-12=8,697 / FY12-13= 9,189 / FY13-14= 2,111



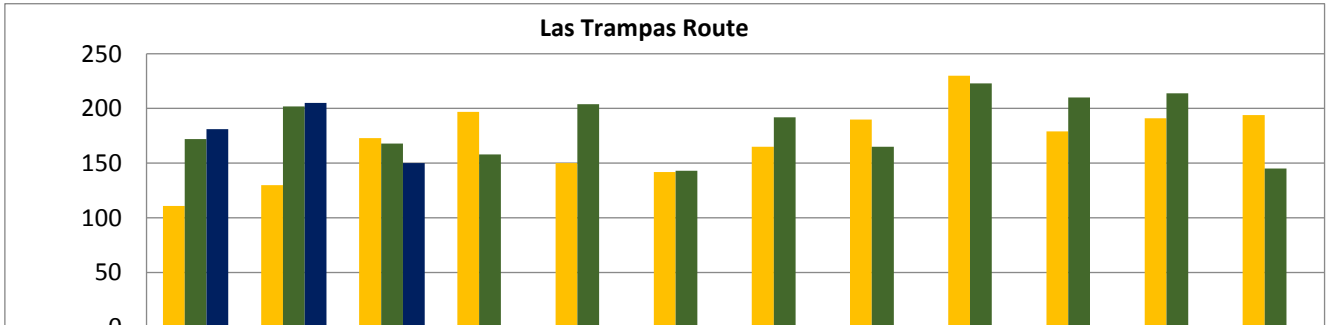
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	3474	3720	3447	3357	3185	2813	3921	3395	3356	3051	3630	3158
FY-12/13	3526	3848	3257	3631	3139	2820	3468	3224	3324	3550	3799	3884
FY-13/14	4382	4145	4001									

FY11-12= 40,507 / FY12-13= 41,470 / FY13-14= 12,528



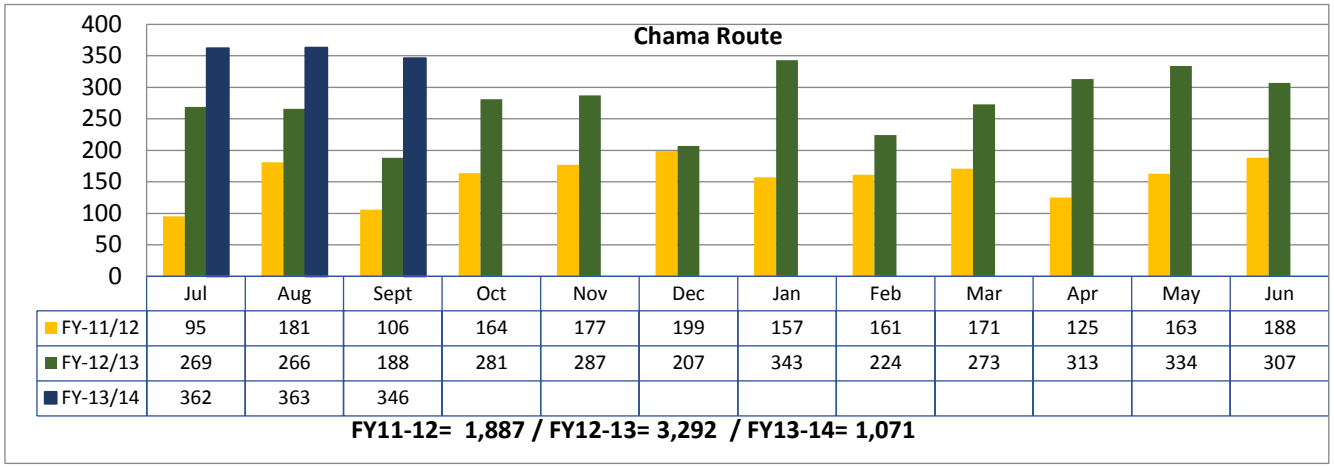
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	363	416	583	376	381	500	574	635	580	594	434	437
FY-12/13	517	543	445	455	609	534	576	510	743	576	589	548
FY-13/14	538	550	498									

FY11-12= 5,873 / FY12-13= 6,645 / FY13-14= 1,586



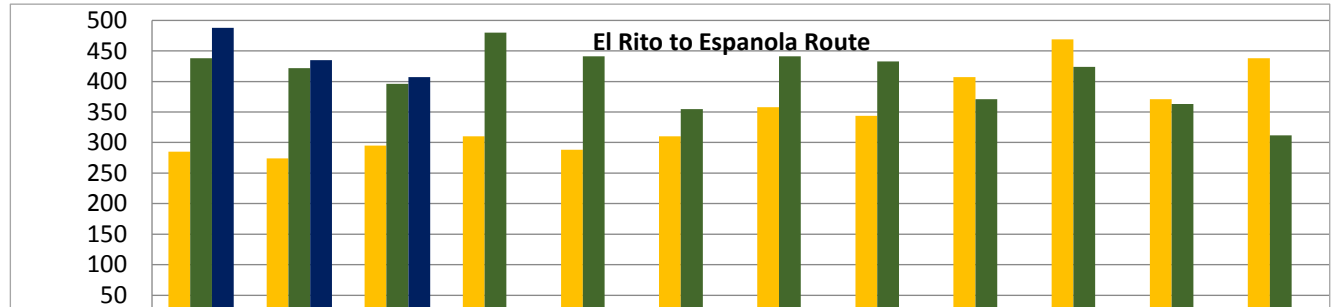
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	111	130	173	197	150	142	165	190	230	179	191	194
FY-12/13	172	202	168	158	204	143	192	165	223	210	214	145
FY-13/14	181	205	150									

FY11-12= 2,052 / FY12-13= 2,196 / FY13-14= 536



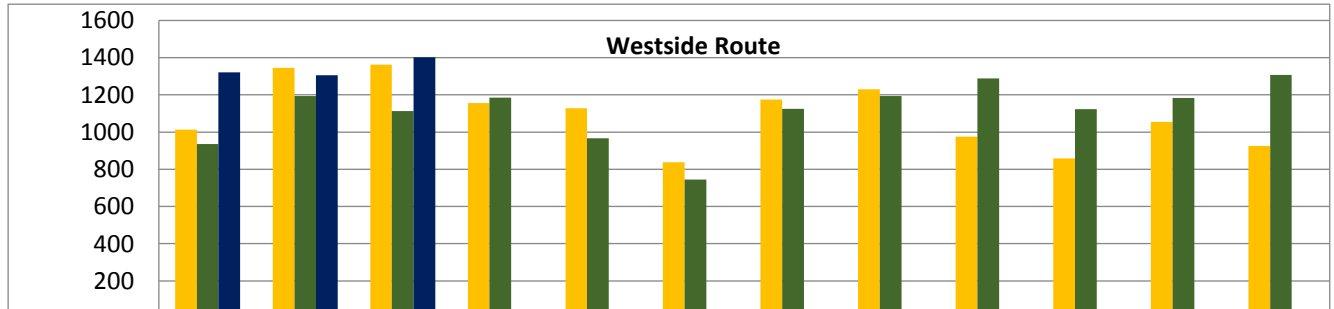
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	95	181	106	164	177	199	157	161	171	125	163	188
FY-12/13	269	266	188	281	287	207	343	224	273	313	334	307
FY-13/14	362	363	346									

FY11-12= 1,887 / FY12-13= 3,292 / FY13-14= 1,071



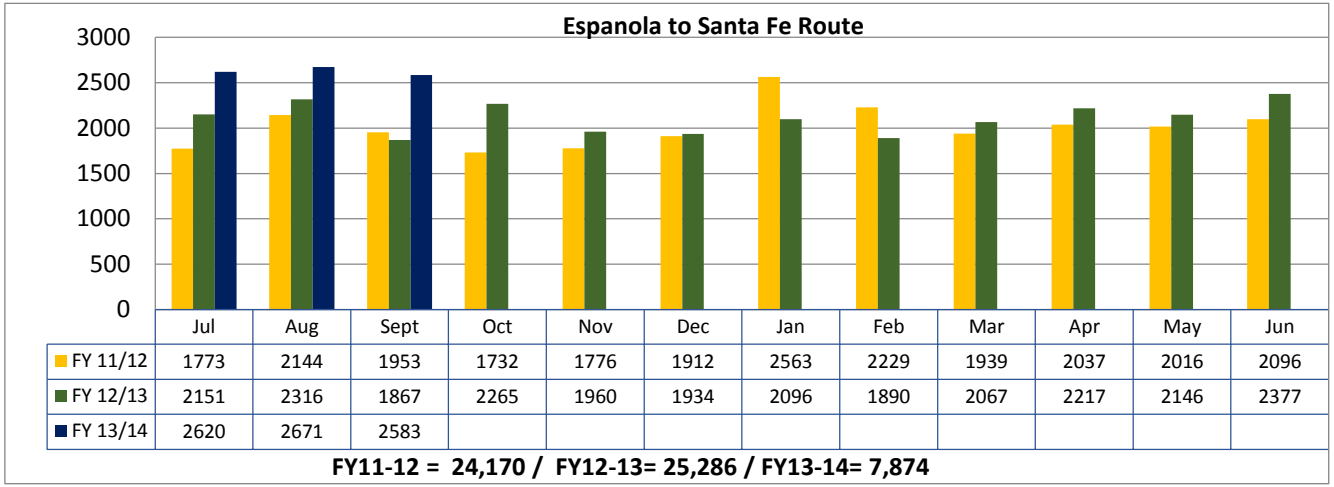
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	285	274	295	310	288	310	358	344	407	469	371	438
FY-12/13	438	422	396	480	441	355	441	433	371	424	363	312
FY-13/14	488	435	407									

FY11-12= 4,149 / FY12-13= 4,876 / FY13-14= 1,330



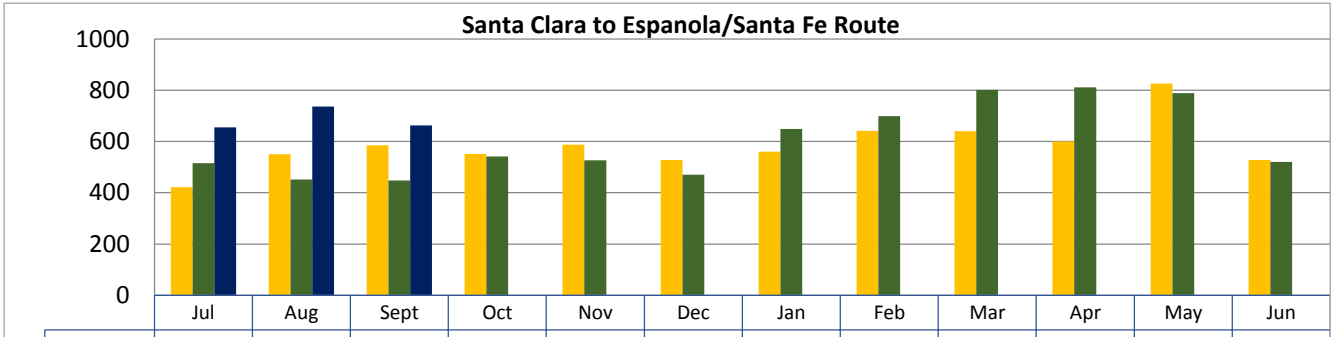
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	1013	1346	1363	1156	1128	837	1175	1230	975	859	1054	926
FY-12/13	936	1193	1113	1186	966	745	1125	1193	1288	1123	1184	1307
FY-13/14	1321	1305	1402									

FY11-12= 13,062 / FY12-13= 13,359 / FY13-14= 4,028



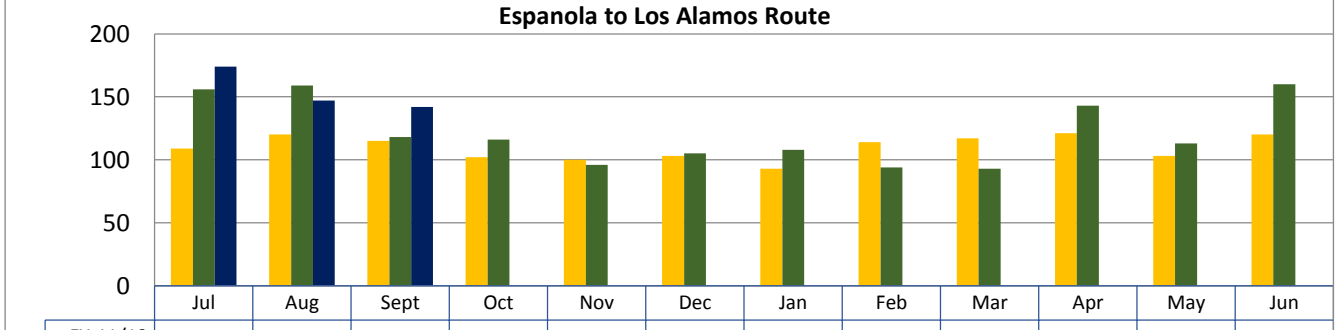
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 11/12	1773	2144	1953	1732	1776	1912	2563	2229	1939	2037	2016	2096
FY 12/13	2151	2316	1867	2265	1960	1934	2096	1890	2067	2217	2146	2377
FY 13/14	2620	2671	2583									

FY11-12 = 24,170 / FY12-13= 25,286 / FY13-14= 7,874



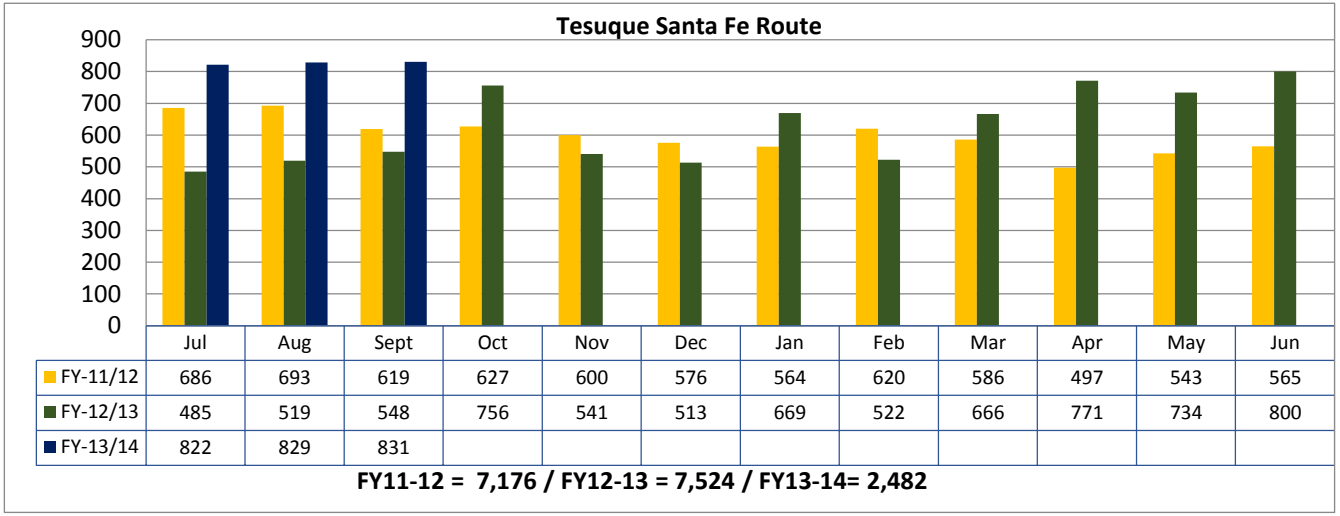
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	422	550	586	552	588	528	560	642	640	600	826	528
FY-12/13	515	452	448	542	527	470	649	699	802	812	789	520
FY-13/14	655	737	663									

FY11-12= 7,022 / FY12-13 =7,225 /FY13-14= 2,055



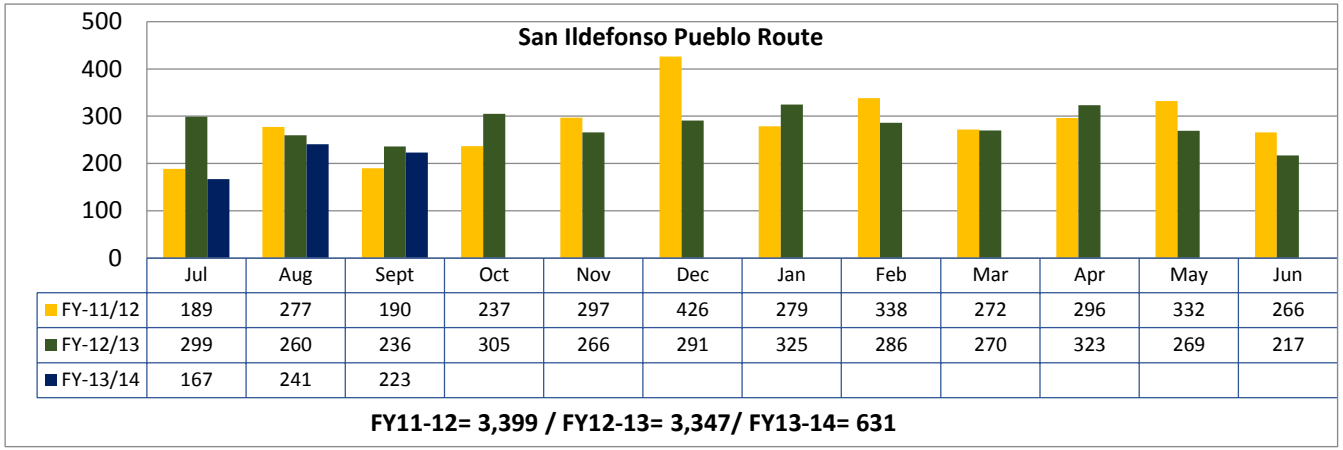
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	109	120	115	102	100	103	93	114	117	121	103	120
FY-12/13	156	159	118	116	96	105	108	94	93	143	113	160
FY-13/14	174	147	142									

FY11-12 =1,317 / FY12-13 = 1,461 / FY13-14= 463



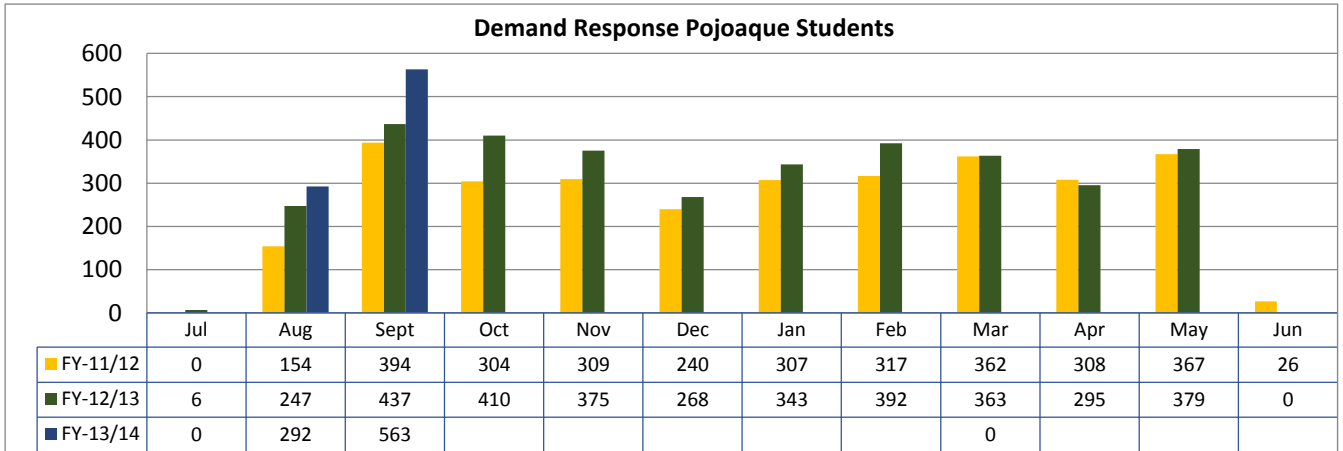
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	686	693	619	627	600	576	564	620	586	497	543	565
FY-12/13	485	519	548	756	541	513	669	522	666	771	734	800
FY-13/14	822	829	831									

FY11-12 = 7,176 / FY12-13 = 7,524 / FY13-14= 2,482



	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	189	277	190	237	297	426	279	338	272	296	332	266
FY-12/13	299	260	236	305	266	291	325	286	270	323	269	217
FY-13/14	167	241	223									

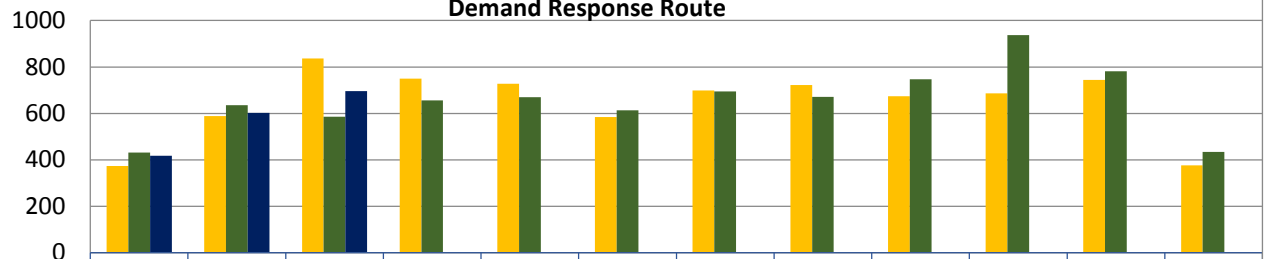
FY11-12= 3,399 / FY12-13= 3,347/ FY13-14= 631



	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	0	154	394	304	309	240	307	317	362	308	367	26
FY-12/13	6	247	437	410	375	268	343	392	363	295	379	0
FY-13/14	0	292	563						0			

FY11-12= 3,088 / FY12-13= 3,515 / FY13-14 = 855

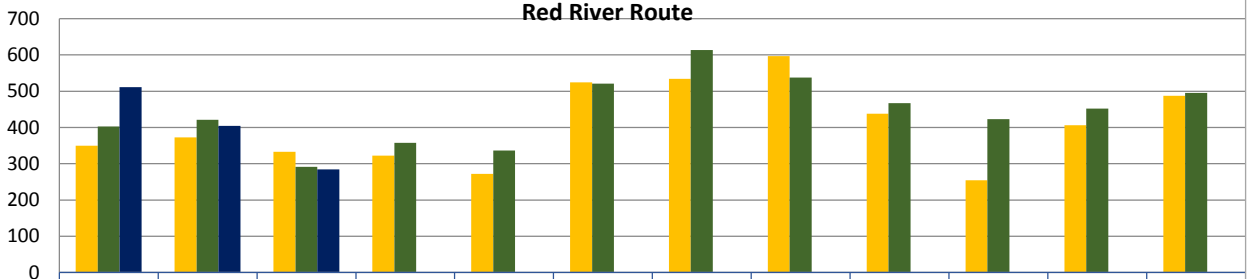
Demand Response Route



	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	373	589	836	750	728	584	699	722	674	687	744	376
FY-12/13	432	636	586	656	670	613	695	671	747	937	782	434
FY-13/14	418	603	696									

FY 11-12= 7,762 / FY12-13= 7,849 / FY13-14= 1,717

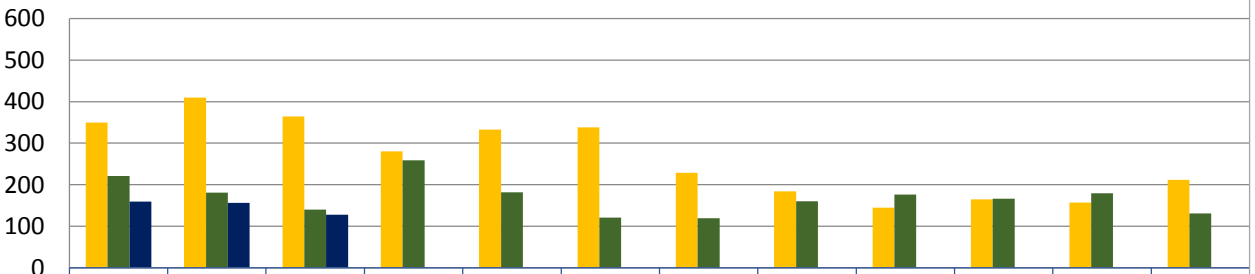
Red River Route



	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	350	373	333	322	272	524	534	597	438	254	406	487
FY-12/13	403	421	291	358	336	521	614	538	467	423	452	495
FY-13/14	511	404	284									

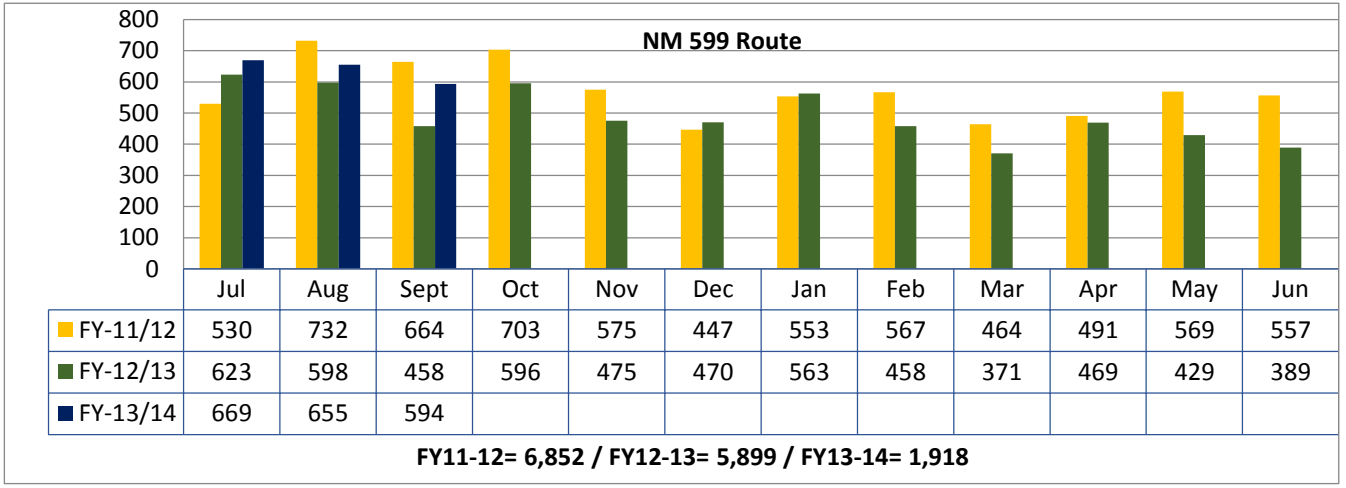
FY11-12= 4,890 / FY12-13= 5,319 / FY13-14= 1,199

Pojoaque/Nambe Route



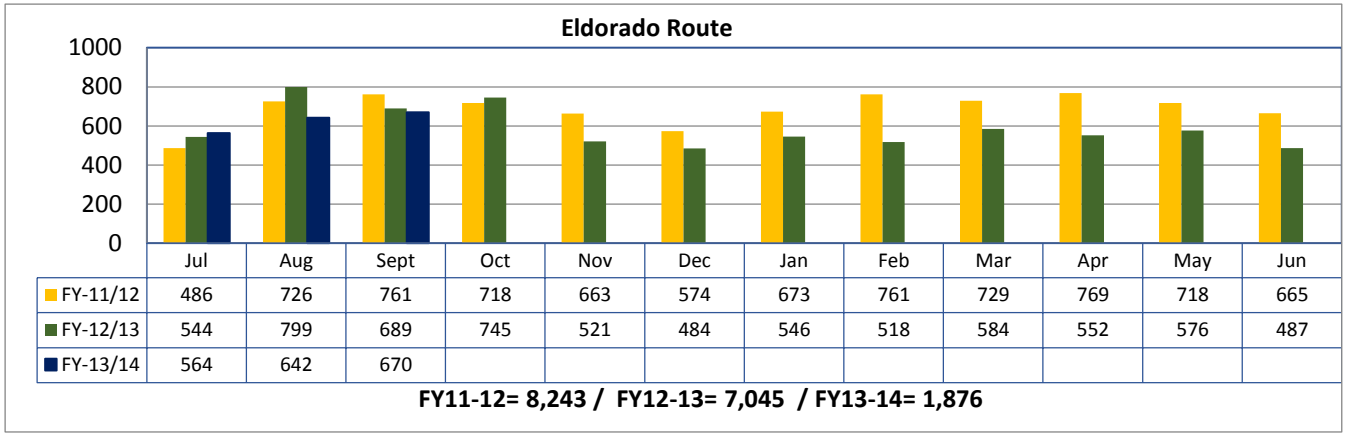
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	350	410	364	280	333	338	229	184	145	165	157	212
FY-12/13	221	181	140	259	182	121	119	160	176	166	179	131
FY-13/14	159	156	128									

FY11-12= 3,167 / FY12-13= 2,035 / FY13-14= 443



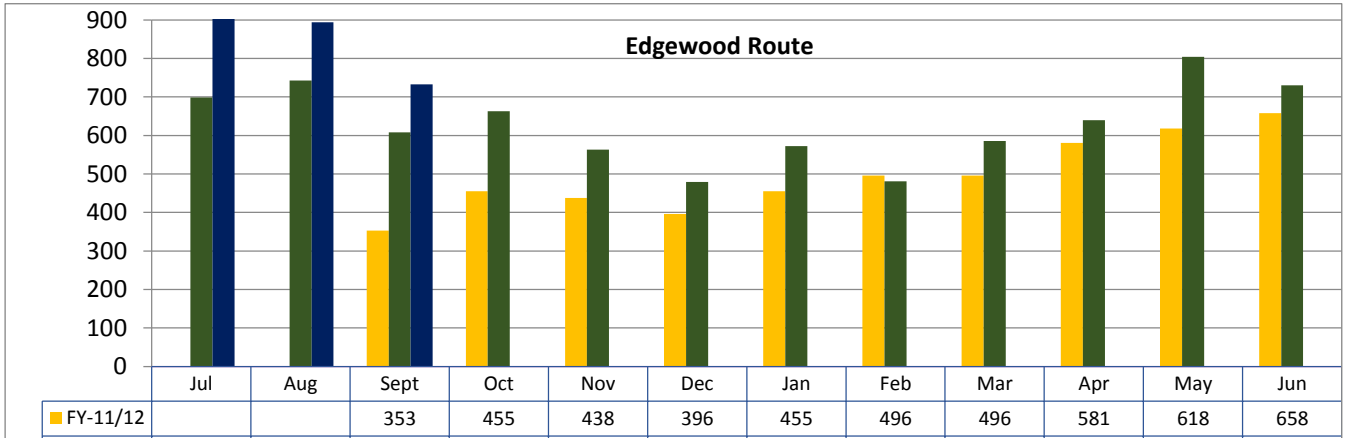
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	530	732	664	703	575	447	553	567	464	491	569	557
FY-12/13	623	598	458	596	475	470	563	458	371	469	429	389
FY-13/14	669	655	594									

FY11-12= 6,852 / FY12-13= 5,899 / FY13-14= 1,918



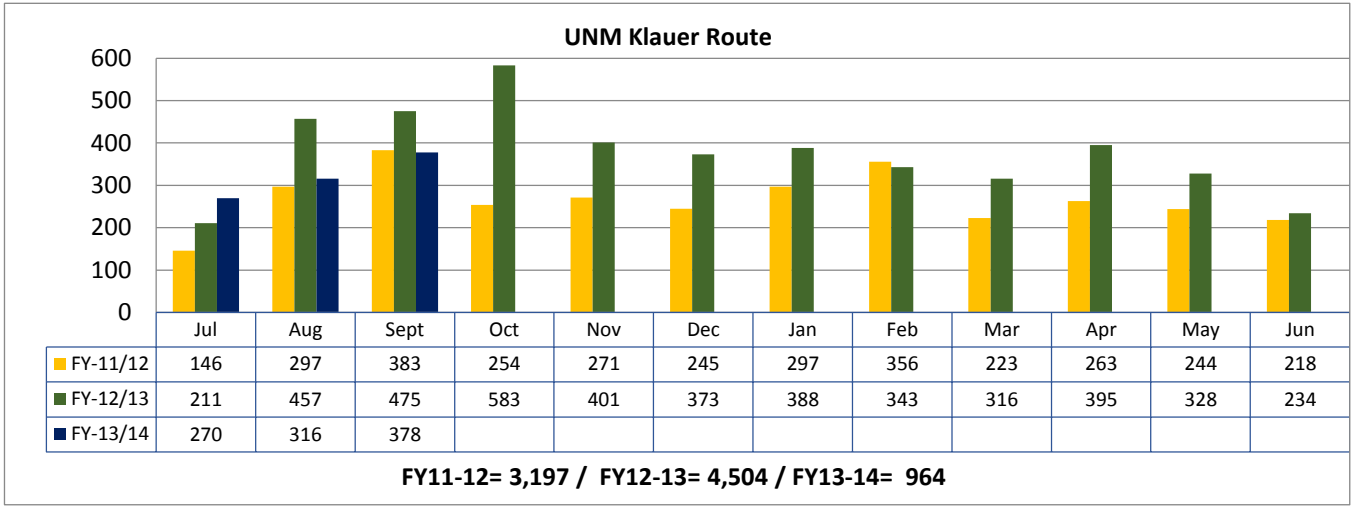
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	486	726	761	718	663	574	673	761	729	769	718	665
FY-12/13	544	799	689	745	521	484	546	518	584	552	576	487
FY-13/14	564	642	670									

FY11-12= 8,243 / FY12-13= 7,045 / FY13-14= 1,876



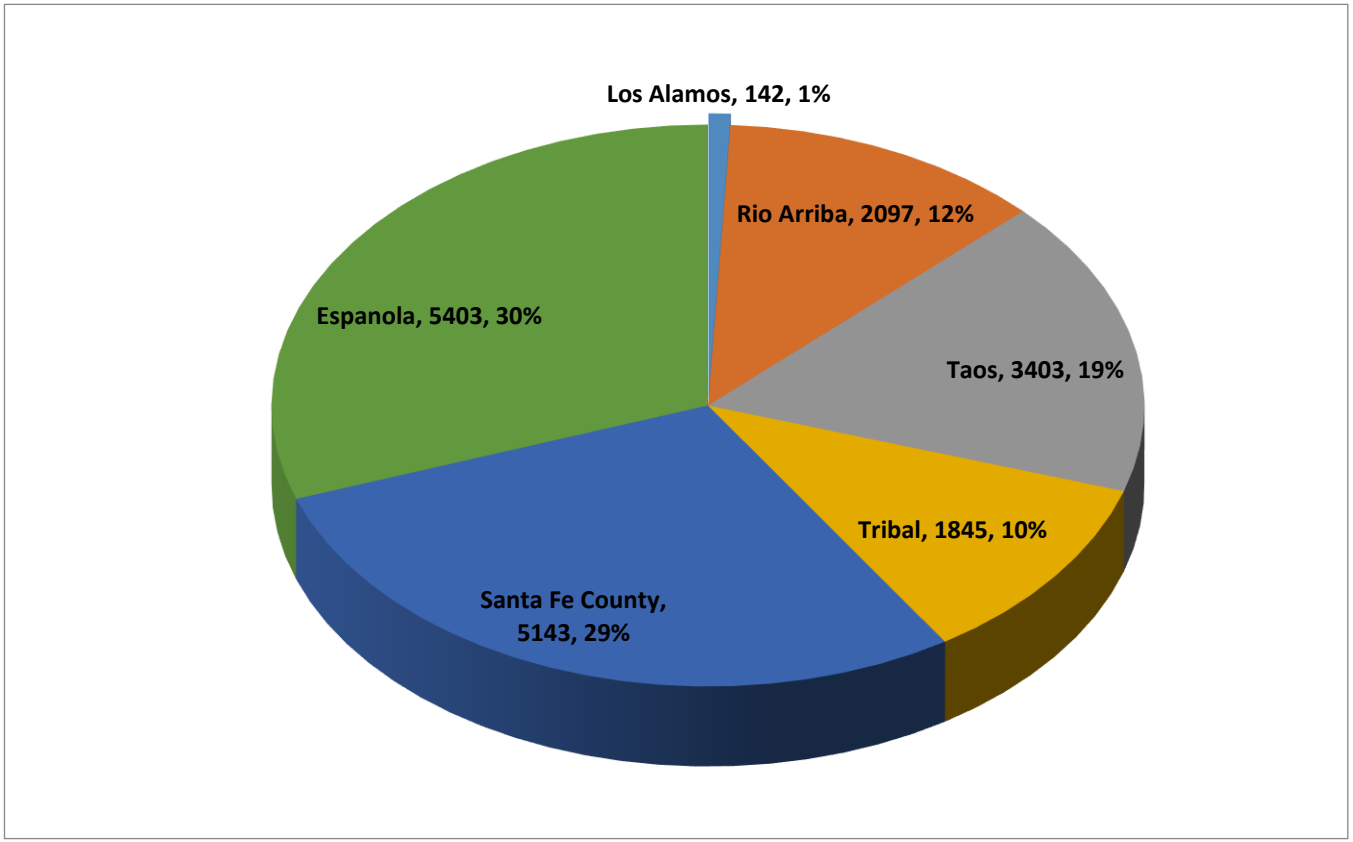
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12			353	455	438	396	455	496	496	581	618	658
FY-12/13	699	743	608	663	563	479	572	481	586	640	804	730
FY-13/14	933	894	733									

FY11-12= 4,946 / FY12-13= 7,568 / FY13-14= 2,560



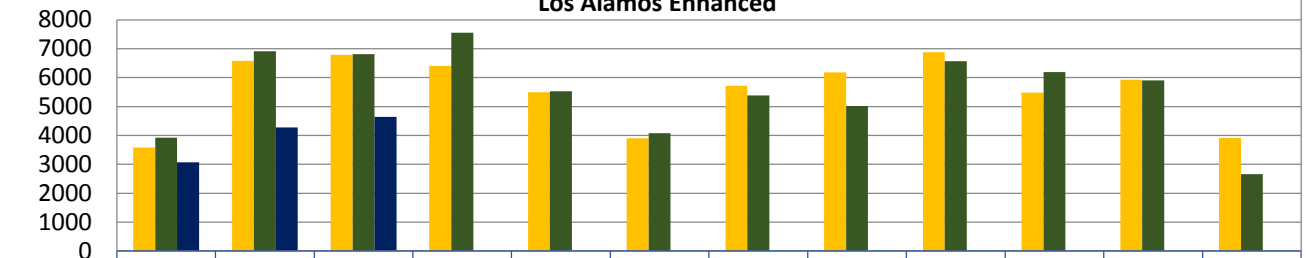
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	146	297	383	254	271	245	297	356	223	263	244	218
FY-12/13	211	457	475	583	401	373	388	343	316	395	328	234
FY-13/14	270	316	378									

FY11-12= 3,197 / FY12-13= 4,504 / FY13-14= 964



NCRTD Funded Routes - Member Operated

Los Alamos Enhanced

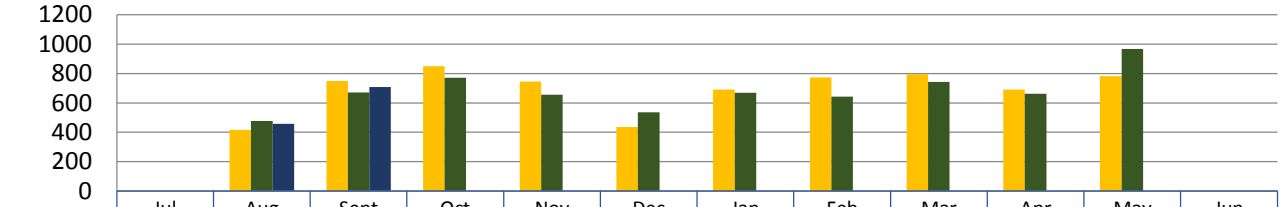


	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	3576	6579	6785	6403	5492	3899	5711	6178	6875	5487	5922	3913
FY-12/13	3920	6907	6809	7549	5529	4072	5381	5021	6572	6196	5908	2659
FY-13/14	3075	4278	4637									

FY11-12= 66,820 / FY12-13= 66,523 / FY13-14= 11,990

Los Alamos Route 11 formerly route 10

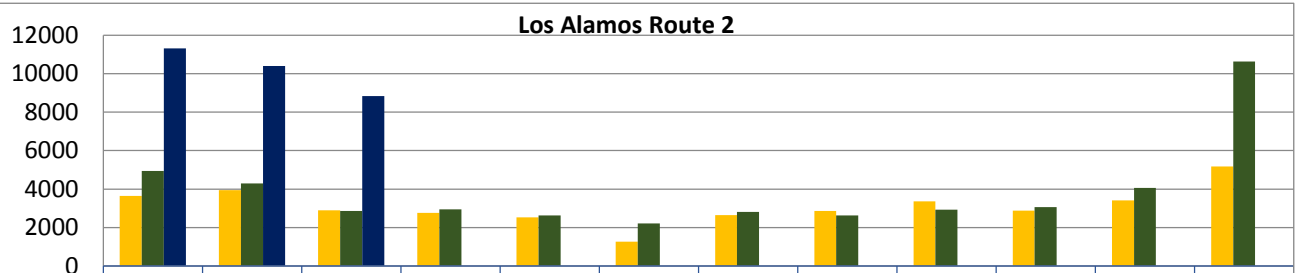
June-Route 10 didn't run due to fire



	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	0	417	750	850	745	436	690	774	796	690	782	0
FY-12/13	0	477	672	771	655	536	669	642	742	662	966	0
FY-13/14	0	458	709									

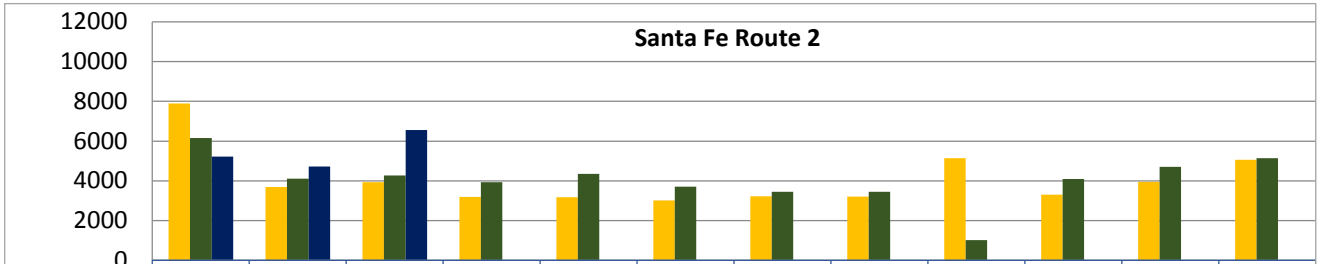
FY11-12= 6,930 / FY12-13= 6,792 / FY 13-14= 1,167

Los Alamos Route 2



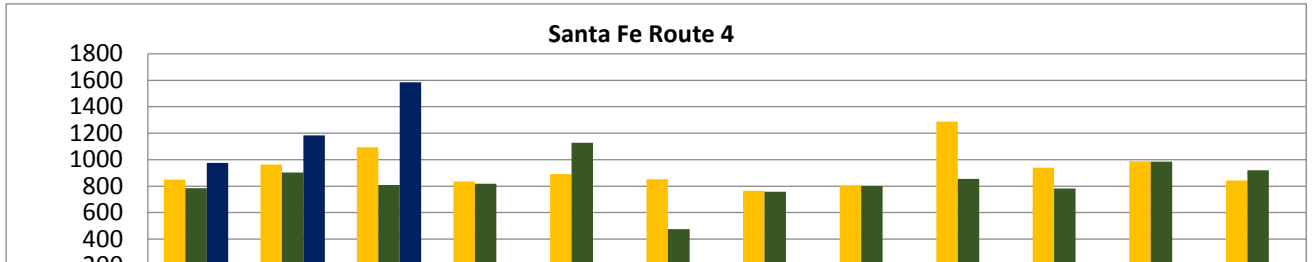
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	3640	3946	2903	2755	2523	1264	2641	2856	3356	2884	3413	5171
FY-12/13	4936	4294	2859	2937	2628	2217	2808	2630	2924	3068	4068	10639
FY-13/14	11310	10405	8837									

FY11-12= 37,352 / FY12-13= 46,008 / FY13-14= 30,552



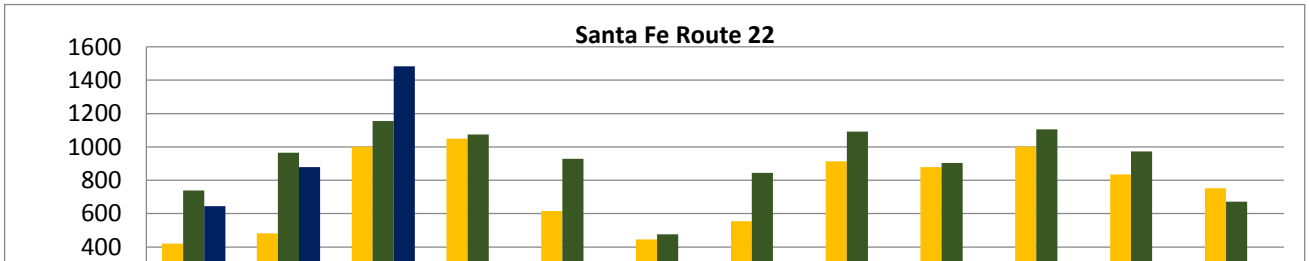
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	7894	3691	3927	3188	3169	3016	3229	3200	5137	3309	3956	5057
FY-12/13	6160	4116	4276	3929	4348	3700	3457	3447	1016	4094	4700	5139
FY-13/14	5224	4716	6556									

FY11-12= 48,773 / FY12-13= 48,382 / FY13-14= 16,496



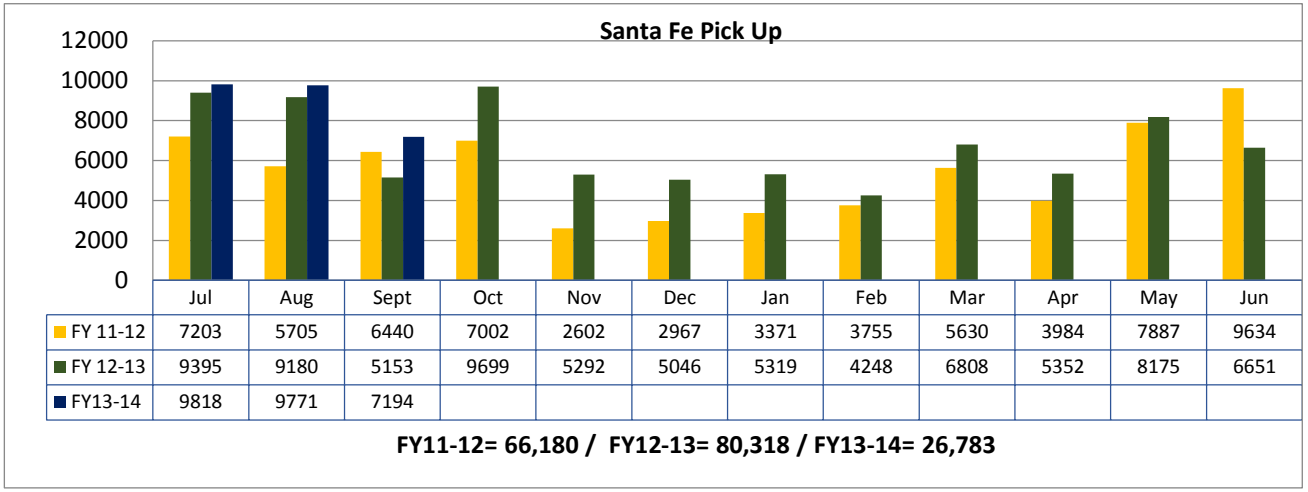
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	851	964	1095	835	890	853	766	804	1288	940	988	842
FY-12/13	785	902	808	818	1128	475	757	801	854	782	985	920
FY-13/14	976	1183	1585									

FY11-12= 11,116 / FY12-13= 10,015 / FY13-14= 3,744



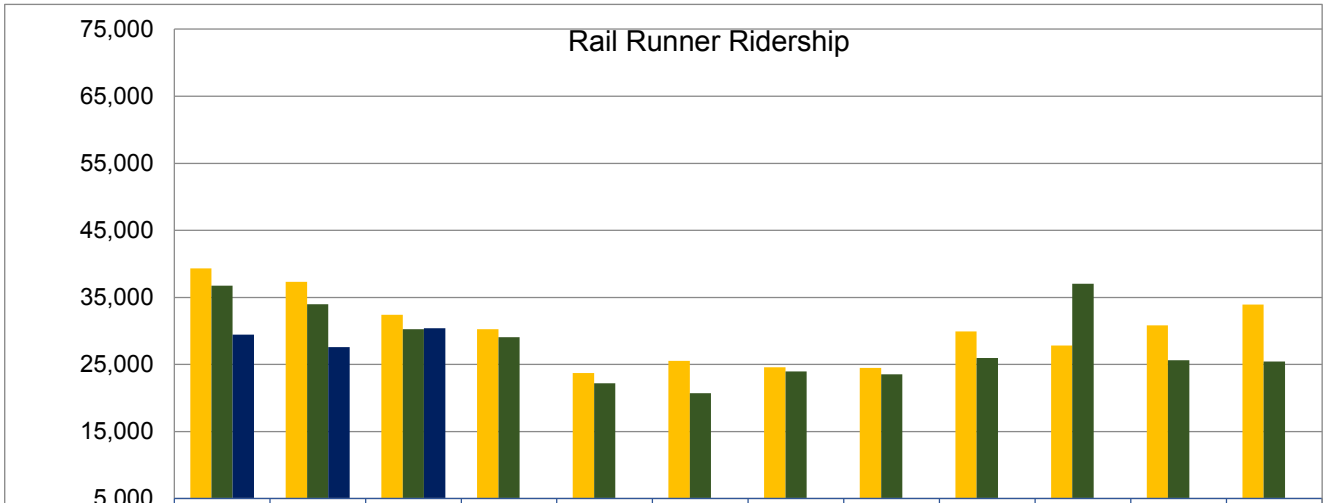
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY-11/12	421	481	1001	1050	616	446	554	913	879	1002	835	752
FY-12/13	739	965	1155	1074	928	475	844	1092	904	1105	973	671
FY-13/14	645	879	1483							0		

FY11-12= 8,950 / FY12-13= 10,925 / FY13-14= 3,007



	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 11-12	7203	5705	6440	7002	2602	2967	3371	3755	5630	3984	7887	9634
FY 12-13	9395	9180	5153	9699	5292	5046	5319	4248	6808	5352	8175	6651
FY13-14	9818	9771	7194									

FY11-12= 66,180 / FY12-13= 80,318 / FY13-14= 26,783



	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
FY-11/12	39,322	37,307	32,420	30,251	23,730	25,517	24,593	24,466	29,909	27,813	30,816	33,932
FY-12/13	36,767	33,994	30,270	29,048	22,197	20,722	23,946	23,529	25,952	37,045	25,645	25,439
FY- 13/14	29,451	27,579	30401									

FY11-12= 360,076 / FY12-13= 309,115 / FY13-14= 87,431